

TOWN COUNCIL MEETING

APRIL 12, 1994

6:30 P.M.

SUMMARY

<u>Agenda Item</u>	<u>Page No.</u>
Consent Agenda - No Items Placed	
3. Items Removed from the Consent Agenda	
2a. Note for the Record Mayoral Transfers Approved to Date	1
2b. Approve Tax Refunds (#251-273) in the Amount of \$7,350.61 - Tax Collector	1
2c. Note for the Record Merit Increases Approved to Date	1
4. Approve the Re-Appointment of Nicholas W. Kern to the Inland Wetlands Commission for a Term of Five Years to Expire 3/1/99	1
5. Approve the Appointment of Tom Zappala as Council Liaison to the Recycling Committee Ad Hoc Group	1-2
6. Table Appointing Three (3) Council Representatives to the Committee on Aging for a Term of Three Years to Expire 2/97	2
7. Approve a Transfer of \$500 to Utilities and Answering Service Acct.	2
8. Approve a Transfer of \$3,600 to Professional Services Acct. - Dept. of Fire Services	2
9. Approve a Transfer of \$1,800 to Utilities Acct. #2039-200-2010 - Dept. of Fire Services	2-3
10. Approve Waiving the Bidding Process for the Purpose of Granting Payment to Fairchild Communications for Work Provided for the Public Works Dept.	3
11. Approve a Transfer of \$1,000 to Maintenance of Building Acct. - Public Works Dept.	3
12. Approve a Transfer of Funds in the Amount of \$800 to Telephone - Central Garage - Public Works Dept.	3-4

<u>Agenda Item</u>	<u>Page No.</u>
13. PUBLIC QUESTION AND ANSWER PERIOD - Debris accumulation on AMTRAK property adjacent to Judd Square Condominiums; Magnet School comment; Mayoral Veto of Budget Comment	9-10
14. Approve a Transfer of \$8,000 to Signs Acct. and \$7,000 to Promotional Acct. - Economic Development Commission	4-5
15. Withdrawn	
16. Approve a Transfer of \$870 to Regulatory Commission Expense Acct. - Water Division	5-7
17. Approve and Accept the Minutes of the Town Council Meeting of 3/8/94 with Addendum and One Correction; 3/22/94 and 3/31/94	7
18. Report Out on the Status of the Golf Course Study Committee	7-9
19. Approve the Use of the Parade Grounds by Wallingford Center Inc on October 1, 1994 for the Purpose of Celebrate Wallingford Festivities	10-11
20. Discussion on the Wallingford Community Day Care Center Lease	11-12
21. Approve a Resolution Authorizing the Mayor to Execute and Sign an Application with the Dept. of Public Health and Addiction Services for the Purpose of Operating the Mayor's Council on Substance Abuse	12
22. Approve a Resolution Authorizing the Mayor to Execute and Sign an Application with the State Dept. of Children and Families for the Purpose of Operating the Administrative Unit and Service Program of the Youth Service Bureau	12-13
23. Fail to Approve Reversing PUC Action Taken on April 11, 1994 with Regards to the Extension of the Credit Rider	13-33
24. Discussion on the Status of Community Pool and Possible Action	39-43
Remove From the Table to Discuss and Possibly Act Upon Choosing Design Option A or B for Community Pool as Presented to the Town Council at a Public Hearing on January 11, 1994	42
Fail to Approve the Smaller of the Two Versions of the Schematic Design for the Wallingford Community Pool	42-43
25. Withdrawn	
26. Withdrawn	

<u>Agenda Item</u>	<u>Page No.</u>
27. Approve an Appropriation of Funds in the Amount of \$477,229 from Retained Earnings to Environmental Acct. #598 - Electric Division	44-46
28. Approve Selling the Former Yalesville Fire House to the Highest Bidder being Patricia and Eldo Maschio, the I'm Special Learning Center, Inc. for the Amount of \$75,685.00 in Accordance with the Bid Proposals	33-39
29. Withdrawn	
30. Approve a Transfer of \$95 to Seminars and Dues Acct. - Town Clerk	46
31. Approve a Transfer of \$500 to Advertising Acct. - Town Clerk	46-47
32. Approve a Transfer of \$300 to Office Supplies - Town Clerk	47

TOWN COUNCIL MEETING

APRIL 12, 1994

6:30 P.M.

A meeting of the Wallingford Town Council was held on Tuesday, April 12, 1994 in the Robert Earley Auditorium of the Wallingford Town Hall and called to Order at 6:35 P.M. by Chairman Thomas D. Solinsky. All Councilors answered present to the Roll called by Town Clerk Kathryn J. Wall with the exception of Councilor Papale who was out of town on vacation. Mayor William W. Dickinson, Jr. and Comptroller Thomas A. Myers were also present; Town Attorney Janis M. Small arrived at 6:44 P.M.

The Pledge of Allegiance was given to the Flag.

ITEM #2 All items were removed from the consent agenda.

ITEM #3 Items Removed from the Consent Agenda

ITEM #2a Note for the Record Mayoral Transfer Approved to Date

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

VOTE: Papale was absent; Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #2b Consider and Approve Tax Refunds (#251-273) in the Amount of \$7,350.61 - Tax Collector

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

VOTE: Papale was absent; all others, aye; motion duly carried.

ITEM #2c Note for the Record Merit Increases Approved to Date

Motion was made by Mrs. Duryea, seconded by Mr. Knight.

VOTE: Papale was absent; all others, aye; motion duly carried.

ITEM #4 Consider and Approve the Re-Appointment of Nicholas W. Kern to the Inland Wetlands Commission for a Term of Five Years to Expire 3/1/99

Motion was made by Mrs. Duryea, seconded by Mr. Zappala.

VOTE: Papale was absent; all others, aye; motion duly carried.

Town Clerk Kathryn J. Wall performed the Swearing-In Ceremony for Mr. Kern at this time.

ITEM #5 Consider and Approve the Appointment of a Council Liaison to the Recycling Committee Ad Hoc Group

- 2 - April 12, 1994

Mrs. Duryea read correspondence from Mayor Dickinson into the record requesting the Council to Appoint a replacement for Mr. Zandri to the Ad Hoc group. Mr. Zandri's employment bars him from participating in the meetings any longer.

Motion was made by Mrs. Duryea to Submit the Name of Tom Zappala as the Council's Appointment to the Recycling Committee Ad Hoc Group, seconded by Mr. Rys.

VOTE: Papale was absent; all others, aye; motion duly carried.

ITEM #6 Consider and Approve Appointing Three (3) Council Representatives to the Committee on Aging for a Term of Three (3) Years to Expire 2/97

Motion was made by Mrs. Duryea to Submit the Names of Ronald Grannucci, Mary Ann Lacy and Fred Young as Council Liaison Appointees to the Committee on Aging, seconded by Mr. Rys.

Mr. Killen was not comfortable with the procedure followed by the Committee on Aging of submitting six names of individuals who have been elected to three year terms on the committee's Board of Directors requesting the Council to choose three of the six people as Council Liaisons. He questioned the practice.

No one present could provide a reasonable explanation for the practice therefore Mr. Killen mad a motion to Table This Item Until the Procedure can be Clarified, seconded by Mr. Zappala.

VOTE: Papale was absent; Rys, no; all others, aye; motion duly carried.

ITEM #7 Consider and Approve a Transfer of Funds in the Amount of \$500 from Maintenance of Building Acct. #001-2020-500-5100 to Utilities and Answering Service Acct. #001-2020-200-2000 - Animal Control Officer

Motion was made by Mrs. Duryea, seconded by Mr. Knight.

VOTE: Papale was absent; Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #8 Consider and Approve a Transfer of Funds in the Amount of \$3,600 from General Wage Acct. #2032-100-1320 to Professional Services Acct. #2032-900-9000 - Dept. of Fire Services

Motion was made by Mrs. Duryea to Create a New Account Titled, "Professional Services Account" and Approve a Transfer of \$3,600 into Said Account, seconded by Mr. Rys.

VOTE: Papale was absent; Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #9 Consider and Approve a Transfer of Funds in the Amount of \$1,600 from Utilities Acct. #2032-200-2010 and \$200 from Utilities

April 12, 1994

Acct. #2038-200-2010 for a Total of \$1,800 to Utilities Acct. #2039-200-2010 - Dept. of Fire Services

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

VOTE: Papale was absent; Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #10 Consider and Approve a Waiver of Bid for the Purpose of Granting Payment to Fairchild Communications for Work Provided for the Public Works Department

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

Mr. Killen asked if the Council was being asked to approve this payment after the fact?

Mayor Dickinson responded, yes, but the service has been rendered and the issue addressed by the Town Attorney, the bill must now be paid.

Town Attorney Small has forwarded a memo to all department heads reminding them of Chapter XVII of the Town Charter and Section 10 of the Purchasing Ordinance which states that no employee can provide outside services to the Town unless it is by public bid or the Town Council waives the prohibition against using town employees for outside services.

Many department heads may have been unaware of these restrictions but she now feels the matter has been addressed.

VOTE: Papale was absent; Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #11 Consider and Approve a Transfer of Funds in the Amount of \$1,000 from Utilities - Yalesville School Acct. #001-5230-200-2010 to Maintenance of Building Acct. #001-5150-500-5100 - Dept. of Public Works

Motion was made by Mrs. Duryea, seconded by Mr. Knight.

VOTE: Papale was absent; Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #12 Consider and Approve a Transfer of Funds in the Amount of \$800 from Utilities - Yalesville School Acct. #001-5230-200-2010 to Telephone - Central Garage Acct. #001-5050-200-2000 - Dept. of Public Works

Motion was made by Mrs. Duryea, seconded by Mr. Zappala.

Mr. Killen asked, why is the Central Garage account short?

Henry McCully, Director of Public Works responded that the increased phone usage was due to having to "chase parts" for the vehicles in the winter. His department is currently compiling a list of companies with toll free numbers to help cut the cost of the telephone calls.

VOTE: Papale was absent; Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #14 Consider and Approve a Transfer of Funds in the Amount of \$10,000 from Part-Time Wages Acct. #001-7030-100-1350; \$1,000 from Printing Acct. #001-7030-400-4180; \$1,000 from Postage Acct. #001-7030-400-4080 and \$3,000 from Travel Acct. #001-7030-300-3200 for a Total of \$15,000 of Which \$8,000 is Transferred to Signs Acct. #001-7030-400-4240 and \$7,000 is Transferred to Promotional Acct. #001-7030-600-6020 - Economic Development Commission

Motion was made by Mrs. Duryea to Establish a New Account Titled, "Signs" and Approve the Transfer totalling \$15,000, seconded by Mr. Knight.

Mr. Zandri asked why there was an excess of \$10,000 in the part-time wages account?

Don Roe, Program Planner reminded the Council that when the EDC came before the Council with the new program it was premised on nine months. The employee was hired in the seventh month. In addition, the other part-time clerical position has remained vacant to date. The EDC has reviewed on a monthly basis whether or not to fill the position. At this point it has been determined not to. Staff hours are needed, however the EDC is re-programming those hours from the part-time employee position to the recruitment/telemarketing program.

Mr. Zandri asked, what success has been experienced with the program to date? Have any replies been received?

Mr. Gary Powell, Chairman of the Economic Development Commission explained that the mailings have gone out this week. It is too soon to tell. The next quarterly report will reflect that information.

Mr. Solinsky referred to Mr. Powell's April 5, 1994 letter which stated that the signs were part of the overall program. They were taken out at one point. Didn't the committee reduce that request?

Mr. Roe responded, yes, that was one of the items that was cut from the original submission.

Mr. Solinsky asked, why does the commission feel that they are important now?

Mr. Powell responded, we (EDC) took them out because of budgetary restrictions. But because we have this extra money in there....it never lost its importance of being in there....we figured we would take that extra money now and do those signs. There will be a total

April 12, 1994

of three signs, two on the Wilbur Cross Parkway and one on I-91 for a total cost of \$8,000.

Mr. Killen stated that the Council allocated a particular budget for the EDC and then was asked to make a large transfer into it, which it did and now we are transferring funds again, what is happening in the space of one year that everything needs re-arranging?

Mr. Powell explained, you cannot predict everything that is going to happen over the course of one year, the same as what happens with the Town budget. We had three months pass without hiring an individual into the position, but it does not mean that we cannot go forward with reconstructing the budget as best as we can. There is no history to follow this budget with. This is a new venture for us.

Mr. Killen felt that the commission will most likely not use all of the funds before the end of the year.

Mr. Powell disagreed by stating that many services take three or four months to plan before reaching the date of service. He was of the opinion that the funds will be utilized prior to the end of June. The commission has been working on items that are being developed and will be paid for over a period of time.

Mr. Knight asked, what kind of response did the commission receive from the previous billboard signs?

Mr. Roe responded that the office receives inquiries, phone calls, from people who have spotted the signs. It is not a practice of the office to ask every caller why they are calling or what medium attracted them to call.

Mr. Knight asked if the database of commercial and industrial property has been completed yet?

Mr. Roe responded, for the most part. The difficulty is that there is constant change and keeping the information updated is difficult.

Mr. Zappala asked, who will be performing the sign work?

Mr. Roe explained, the work is out to bid.

VOTE: Papale was absent; Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #16 Consider and Approve a Transfer of Funds in the Amount of \$870 from Water Treatment Expense Acct. #641-000 to Regulatory Commission Expense Acct. #928-000 - Water Division

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

Mr. Rys asked for an explanation of the OSHA violations that the division is being fined for from Roger Dann, General Manager of the Water and Sewer Division.

April 12, 1994

Mr. Dann summarized the facts which led to this point. As indicated in his letter, on December 6, 1993 the Water Division was engaged in the repair of a water main. During the course of that repair the site was visited by inspectors of CT. OSHA (Occupational Safety and Hazard Association). As a result of that inspection the division received notification of alleged violations of the applicable safety requirements and there were five individual items they took exception to. Subsequent to that the division did meet with OSHA to discuss the issue and indicate what the division's existing and ongoing training and safety program consisted of and indicated what additional measures had been taken subsequent to that date to improve upon the conditions. As a result of those meetings an informal agreement was reached with CT OSHA which did reduce the amount of the violation as a reflection of the fact that the division was willing to demonstrate their good faith efforts to mitigate this type of unsafe condition. That resulted in a remaining penalty of \$870.

Mr. Knight asked that the nature of the violations be discussed if Mr. Dann was at liberty to do so.

Mr. Dann explained that there were six violations originally, however one was satisfied by the division to OSHA's approval. Although the division has gone through formal training in terms of providing the employees with the ability to recognize and prepare for excavations and instruction of proper procedures in trenching shoring, one employee did not receive the training because he was hired after the training was conducted. That was one of the issues. The division was unaware that was a requirement and has taken steps since that time to make sure that does not occur again. Secondly, there was an employee at the site for a short time directing traffic. In the morning hours when the repairs were first under way the employee directing traffic was wearing a safety vest, however at lunch time a replacement was sent out to take his place and that employee did not wear the required safety vest. Thirdly, there is a requirement within a trench that there be a safe means of egress be provided, whether that be a ladder, stairs or sufficient sloping at some point within the trench within reasonable distance of the work area. Although the ladders were on site they were not placed in the trench. Fourth, in terms of judging the safety of the excavation, the division's personnel made the judgment that, in fact, safe excavation existed and no additional protective devices such as a shoring box was installed in the trench. It was a judgment call on the part of the individual supervisor and the management supervisor who visited the site, however it was CT. OSHA's position that we either had additional sloping or we should have had a trench box installed in that trench. Finally, we had an individual who was trained to be competent with regard to trenching and shoring who did not remove employees from a potentially unsafe environment. Those are the five individual areas.

Mr. Gouveia asked if the deficiencies in the water division safety program, as deemed such by Mr. Dann, himself in a letter to the PUC dated March 29, 1994, have been corrected? What steps have been taken to correct them?

As soon as the deficiencies were identified they were addressed,

i.e., the employee who was not trained in excavation was immediately trained. With regard to the judgment of when it is appropriate or not appropriate to install a protective system in the trench, the division has subsequently taken the approach that they are not going to leave it to a judgment call but rather utilize a trench box in every situation assuming the worse possible soil conditions. The division has checked to make sure that all safety equipment issued to all employees are still in their possession and have reinforced in meetings with the employees the need to utilize the safety equipment. The division has set out to do a better job of documenting exactly what the division's policies and procedures are. It is an ongoing process that they will continue to attack.

VOTE: Papale was absent; Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #17 Approve and Accept the Minutes of the Town Council Meetings of 3/8/94 with Addendum; 3/22/94 and 3/31/94

Motion was made by Mrs. Duryea to Approve the Minutes of 3/8/94 and Addendum with One Correction to Page #8, last sentence which should be corrected to read, "...in excess of \$15 million." from "...in excess of \$50 million." and to approve the Minutes of the 3/22/94 and 3/31/94 Town Council Meetings, seconded by Mr. Zappala.

VOTE: Papale was absent; Killen abstained; all others, aye; motion duly carried.

ITEM #18 Report Out on the Status of the Golf Course Study Committee

Committee Chairman, Steven Holmes, requested that the item be withdrawn due to the fact that he has not yet received the feasibility study commissioned by the Water Division on this issue and therefore there was no new information to report.

Lester Slie, 18 Green Street, Sub-committee member requested the opportunity to speak on the issue.

Motion was made by Mrs. Duryea to Hear Discussion from Lester Slie, seconded by Mr. Zappala.

Mr. Slie explained that he addressed correspondence to Iris Papale in August of 1993 requesting that she replace some of the existing golf committee members if they are not re-elected to the Council. There was no response regarding the matter until approximately Christmas when Ms. Papale suggested that Mr. Slie wait until the new Council was sworn in.

After January, 1994 Mr. Slie addressed correspondence to Mr. Solinsky, the new Chairman of the Council, requesting that the item be placed on the agenda of the meeting. Mr. Slie stated that this is the third time it was presented and Mr. Holmes did not show up for his presentation.

Mr. Solinsky corrected Mr. Slie by stating that this is the first time

April 12, 1994

that the item has appeared on the agenda.

Mr. Slie explained that the Golf Course Study Committee consisted of Steven Holmes, Chairman; Robert Parisi and Susan Duryea. The sub-committee consisted of Lester Slie, Chairman; Walt Gascot; Ed Ferrier, Don Dringoli, Sal Falconieri and Joe Wolcheski.

The previous Council was given a copy of the golf course study which concluded that Wallingford could build a self-supporting municipal course. The sub-committee held a lot of meetings with Mr. Holmes and Mrs. Duryea was only present at one. The committee felt that Mr. Holmes never informed Mrs. Duryea of the meetings.

Mrs. Duryea confirmed Mr. Slie's statement by saying that she was not informed of some of the meetings held with the sub-committee.

Mr. Slie wrote a letter to the State Department of Health requesting a copy of their correspondence dated October 7, 1991 regarding the State policies that apply to the use of watershed lands.

James Okrongly, Section Supervisor, Water Supplies Section stated that the "State policy for water supply protection is to encourage land uses within public water supply watersheds that are compatible with maintaining the quality and quantity of potable sources. The application of fertilizers, herbicides and pesticides does not conform with this policy."

Mr. Slie explained in his correspondence to the State that the course will be fertilized with organic material such as cow manure. Many CT. farmers are doing the same. He pointed out that Tyler's Mill has been a public dumpsite for as long as he can remember. If that ground is polluted then why won't the State allow the use of natural organic fertilizers? They are more worried about the cow manure potentially polluting a watershed area which is on a fifty year plan to possibly become a reservoir site. He feels that he is getting the brush off each time from the Mayor and Council. The Mayor stated that he would get back to Mr. Slie on the status of the water division study of the area and to date, he has not heard anything.

Mayor Dickinson stated that the consultant was hired and is reviewing the watershed area and the feasibility of having a surface reservoir put in place for the Town sometime in the future.

Mr. Slie pointed out that the reservoir is on a forty to fifty year plan and may not be built at all. Why can't the Town obtain an easement to build the golf course? We are not hurting for water in Wallingford.

Mayor Dickinson answered that the State gives the Department of Health the right to oversee any activities that are placed in a watershed, that would include a golf course. The Department of Health could be part of the permitting process to allow anything to go out there. To date, the position has been that they will not approve anything that would jeopardize or create a threat to the water supply that is on municipal property. Until we have that information it is difficult

to argue the pros and cons of the issue.

Mr. Slie pointed out that the New Haven golf course is located adjacent to Lake Whitney. Richter Park has a reservoir as well.

Mayor Dickinson explained that the law was put into effect after those courses were constructed.

Mr. Slie felt that the residents deserve a golf course and they should get some benefit from the taxes that they pay. The average worker cannot afford to golf at a private club. It is much too expensive.

Mr. Zappala expressed interest in serving on the committee.

PUBLIC QUESTION AND ANSWER PERIOD

Sidney Parker, 40 South Cherry Street explained that he and his wife own a condominium at Judd Square. Their kitchen and bedroom windows overlook the railroad tracks. On November 23, 1993 Mr. Parker made the same appeal then that he is repeating this evening which is to investigate who is responsible for cleaning all the debris and trash from the railroad tracks that have accumulated in the area between Quinpiac Street and Foucalt's Furniture Store. Mattresses have been laying in the same spot for two years now. Some of the debris is located in the shopping plaza located at 23 S. Colony Street. The landlords, obviously, don't care about the area. He did not understand why that area cannot be kept clean. Why has nothing been done from November 23rd until now? Why can't the Town clean it up and bill the landlords for it? It degrades the Town.

Mr. Gouveia stated that most of the items referred to by Mr. Parker are located on the railroad's property. The Town cannot go onto their property to clean it. Mr. McCully, Director of Public Works recently informed Mr. Gouveia that the Corporation Counselor and Health Inspector have been in contact with AMTRAK to request that the items be removed. If it is not removed the Town will take appropriate action to see it is moved.

Mr. Parker explained that the mattresses located behind Feldman's property have been there two years. That area is not AMTRAK property.

Mayor Dickinson stated that the only the time the Town has a right to clean it up is when it constitutes a public health concern.

Mr. Killen apologized to Mr. Parker, stating that the last time he appeared before the Council stating his concerns Mr. Killen contacted the Public Works Dept., and Health Dept. Those department heads were going to take steps to get in touch with the property owners to ask them to clean up the debris. Unfortunately, we had an early and long winter and the mess was blanketed and fell by the wayside. Wallingford has to have the will to get something done. With a little bit of power a lot can be accomplished by the mere power of suggestion. Sometimes that is all that is necessary with the property owners to motivate them to get their act together. It is not fair that residents come to the Council with their concerns that the

Town is going downhill and the Council continues to apologize and say that we cannot do anything about it. There should be something that the Town can do.

Mr. Gouveia stated that the Ordinance Committee has received many complaints about the litter problems in Town and this one is of great proportions. In view of that the committee is drafting a Litter Ordinance which would empower the Health Director to act upon such complaint. Hopefully the ordinance will be drafted soon so that we can begin to address the problem.

Mr. Knight explained that there is a safety issue involved. They guard their property with great jealousy for obvious reasons, especially in Wallingford. You will find that, although there is some interest in keeping the property clean, they are mainly interested in seeing that the property is vacant of people. They would not be pleased to see anyone on that property, even if they are volunteering to clean it. Another issue is the fact that AMTRAK is strapped for money. They are laying off people all over the country in an effort to keep the trains going. Litter removal will take a low priority in the scheme of things.

Frank Wasilewski, 57 No. Orchard Street stated, in his opinion, the Town is making a big mistake by not getting involved in the magnet school with Meriden. He also felt that the Town was making an additional mistake by not going with the Democratic plan for adding classrooms in Wallingford. When the Democratic Town Committee Issues Committee presented the plan to the Council it was only going to cost the Town \$7 million. A far cry less than the \$30 million that is currently being quoted. We should not be planning fifty years ahead with the \$30 million plan. If we do we will be closing schools in ten years. He urged the Council to think about it and review the plan again. It is more than adequate for the needs of Wallingford.

On the topic of the budget, Mr. Wasilewski was of the opinion that the Town will be heading for another veto by the Mayor on the budget for F.Y. 1994-95. He hated to see that happen and a larger rift develop between personalities. He asked the Mayor and Council if there is anything that the people of Wallingford can do to bring this issue to referendum to take the pressure off of the Council's and Mayor's hands? Let the people of Wallingford decide what type of budget they want.

Mayor Dickinson stated that the budget is excluded from the referendum process by Town Charter.

Mr. Wasilewski suggested that the Public Hearing on the budget be cancelled due to the fact that the public has no say on it.

ITEM #19 Consider and Approve the Use of the Parade Grounds by Wallingford Center Inc. on October 1, 1994 for the Purpose of Celebrate Wallingford Festivities

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

Mr. Zandri asked if the Traffic Division of the Police Department has been consulted on this issue?

Beverly Belliveau, Executive Director of Wallingford Center Inc. responded that Rick Doll has been contacted and it has been approved. He had hoped to be in attendance this evening but is engaged in another meeting at this moment. He will arrive when his meeting has ended. Center Street will not be closed.

Mr. Solinsky stated that the volume of music from the uptown area last year was a problem to many residents.

Mrs. Belliveau explained that the entertainment was not contracted by Wallingford Center Inc. but was provided by the uptown merchants themselves to attract business to their area. They had no jurisdiction over those festivities. Wallingford Center Inc. will not contract with entertainment of that caliber.

VOTE: Papale was absent; all others, aye; motion duly carried.

ITEM #20 Discussion on the Wallingford Community Day Care Center Lease as Requested by Councilor Albert E. Killen.

Motion was made by Mrs. Duryea, seconded by Mr. Knight.

Mr. Killen stated that approximately a week or two ago an article appeared in the Hartford Courant which read in part, "Thanks to the school board's change of heart the Town's social service agencies are vying with four other applicants for a state grant which will enable them to combine and expand their services. Last Monday the board voted 5-4 to allow the agencies to submit their application to the State. If the group gets the \$80,000 they ask for, they will be able to coordinate their services at a new center and reach more facilities." The article goes on to say that the agencies will be headquartered at the day care center. We have a specific lease with the day care center which limits their actions to day care centers and that is it. If the lease is going to be corrected it should come before the Council to ask permission to do so. The article continued, "At last week's school board meeting several members had misgivings about the grant because they would have no control over how the money was spent and because the program would be housed not in one of the schools but in the Wallingford Community Day Care Center." The Town's lease covers two specific instances, one is the use of property - "The lessee shall use and occupy the demised premises throughout the original term and any extension thereof for the sole purpose of providing and operating a day care program for pre-school and school age children of the Town of Wallingford". There is something similar further on in the lease as well.

Mr. Solinsky asked Mr. Killen if he contacted the director of the day care center to question her on the matter?

Mr. Killen responded, no. If they are seeking to change the terms of the lease then they should come forward and ask for permission. If the newspaper article had not been written we would not know of any of

- 12 - April 12, 1994

this.

Mr. Solinsky asked, how would you like to approach this, Bert?

Mr. Killen stated that the issue now has some publicity. It may be in order for the Chairman to write a letter to the necessary individual to make them aware of the terms of the lease. If they are to change it they must come before the Council requesting the change.

Mr. Killen made a motion to Address a Letter to the Day Care Center Notifying them of the Limited Terms they are Bound to in the Lease and to Notify the Council of any Changes, seconded by Mrs. Duryea.

Mr. Zappala stated that he cannot vote on the issue since he did not receive a copy of the entire lease until tonight (the latest revision was included in the Council's agenda package but not the lease in its entirety). He did agree with Mr. Killen, however, that the Council be notified before any changes are made.

VOTE: Papale was absent; all others, aye (Mr. Zappala did vote in the affirmative); motion duly carried.

ITEM #21 Consider and Approve a Resolution Authorizing the Mayor to Execute and Sign an Application with the Department of Public Health and Addiction Services for the Purpose of Operating the Mayor's Council on Substance Abuse - Mayor's Office

Motion was made by Mrs. Duryea to Approve the Resolution with a Correction to Section 1, line 2 which should read, "...provision of local grants in aid to the extent that they...", seconded by Mr. Knight.

Mr. Gouveia asked Don Roe, Program Planner, to explain the responsibilities that the Council is recognizing in this resolution for the benefit of the new Councilors.

Mr. Roe explained that the State Statute referred to in the Resolution is the one that provides that the State agency can issue grants to local municipalities and that the Town will abide by the terms of the grant and provide the services that are identified.

VOTE: Papale was absent; all others, aye; motion duly carried.

Motion was made by Mr. Killen to Append a Copy of the Resolution in its Entirety to the Minutes of the Town Council Meeting, seconded by Mrs. Duryea.

VOTE: Papale was absent; all others, aye; motion duly carried.

ITEM #22 Consider and Approve a Resolution Authorizing the Mayor to Execute and Sign an Application with the State Department of Children and Families for the Purpose of Operating the Administrative Unit and Service Program of the Youth Service Bureau

Motion was made by Mrs. Duryea, seconded by Mr. Knight.

VOTE: Papale was absent; all others, aye; motion duly carried.

Motion was made by Mr. Killen to Append a Copy of the Resolution in its Entirety to the Minutes of the Meeting, seconded by Mrs. Duryea.

VOTE: Papale was absent; all others, aye; motion duly carried.

ITEM #23 Consider and Approve Reversing Public Utilities Commission Action Taken on April 11, 1994 with Regards to the Extension of the Credit Rider as Requested by Councilor Geno J. Zandri, Jr.

Motion was made by Mrs. Duryea, seconded by Mr. Zandri.

Mr. Zandri stated, as a resident of Wallingford, we are lucky to be in a situation where we are the owners of a profitable electric business. Not many residents of other communities are in such an enviable position. Even excluding the credit rider we enjoy one of the lowest electric rates in the State and we can brag about having reliable service. It is my opinion, however, that our profits are being misused. I don't know of any business that takes its profits and returns those profits back to its customers. Over the past two and one-half years, \$7.5 million of our money have been used to subsidize already low electric rates. The customers who have benefited the most from this credit rider are businesses. We are putting more money in the pockets of business owners and in doing so, we as business owners of the electric division, have less money, \$7.5 million less in two and one-half years. Less money at a time when our Town has numerous projects waiting to be done. These projects include, Community Pool, a new ladder truck for the Fire Department, a third phase of downtown, open space purchase, a new recreation center and a school expansion project, just to name a few. Let me give you an example of what could have been done over the past two and one half years, we could have paid cash for a \$2.5 million Community Pool project, we could have paid cash for a \$4 million recreation center, we could have paid cash on a new \$500,000 ladder truck for the Fire Department, we could have done all of this and still had \$500,000 left over. We could have done all of this in just two and one-half years without raising any taxes and our electric business would be in the same financial shape it is in today. But instead, we have not accomplished anything in that time period. To give you another example I have discussed a plan with Tom Myers that by using some of the profits from our electric business we can build the entire school expansion project without raising any taxes. If our electric business profits were managed properly we could build all of these projects I have mentioned, over time, and still have a sound electric business, still have the lowest electric rates in the State and also save on unnecessary tax increases. I encourage all of you to take a hard look at this issue. For the reasons that I have stated I am opposed to the credit rider continuing any further and I am in favor of a properly managed electric business.

Mr. Rys responded, as a resident of the Town of Wallingford I enjoy the benefits of this discount rate along with many of the commercial and industrial users. In some cases the additional "bonus" that is given out through this rider to the companies can mean the year for the company. I think what I would like to do is encourage business

April 12, 1994

and industry to stay in Wallingford. I would like to encourage business and industry to be a part of Wallingford and keep them here. We have an Economic Development Commission who is trying to get industry into Wallingford and I think this is a benefit. I realize that the rates are lower than some of the other communities within the State of Connecticut, but we need the business to keep up going here. It was mentioned yesterday down at the Public Utilities Commission Meeting by one of the gentlemen who represents one of the larger companies in Town that electric rates are cheaper down in the Pennsylvania and Ohio area. I would hate to see that industry move out of town because ultimately what happens here is, if we start losing our major customers then somehow or another the ratepayers, which is also the residential, are going to have to pick up a larger burden of the pie. If we are going to have to pick up a larger burden of the pie then it makes it unattractive for us to keep this electric division. There are other things that are now coming into play such as the "freewheeling". That means providers of electricity can come into this town and offer electricity to some of the industries at possibly a cheaper rate or perhaps to dangle a bigger carrot in front of them so that they can get those rates down below ours. What happens is we lose those businesses as customers and then it will become unprofitable for us to keep this division going and that, I believe, will be the final chapter of the electric division. I don't want to see this happen.

Mr. Zappala stated that he agreed with Mr. Zandri that we do have a fine company in Wallingford which is our electric division. I think we are very fortunate to have a company like the electric division which subsidizes some of the expenditures that the Town has to face. I would like to give you some numbers, as a resident of Wallingford. My average bill (electric) is \$123.94 per month. If I lived in Meriden it would be \$210.83. If I live in North Haven it would be \$178.90. So you may say, as a resident, that I am very happy with the rate they are giving us. I know that the electric division has a lot of money put aside and I also know that they have to do something with it. I would like to know more about their decision and the money which has been accumulated but, at this point, I must praise the company for the way they have been operating.

Mr. Knight stated, the Council has given a great deal of thought as to how the retained earnings have accumulated and just how they should be spent. There is a contention that the Town of Wallingford, as the owner of the electric division, does not benefit, that we are not profiting from the ownership of this utility. The electric division gives the Town general government \$1.5 million per year. This is equivalent of having a taxpayer in this town with a \$60 million assessed value. There is only one, possibly two, outfits in this town with that assessed value, Bristol-Myers and possibly American Cyanamid. But I think the electric division would rank number two if it were a private utility. If, indeed, it was assessed at \$60 million which is ludicrous. CL&P pays the City of Meriden in personal property taxes \$667,000. If pays in real estate property taxes approximately \$31,000. rounded off, \$700,000 per year is paid by their electric utility to their town, a town twenty percent (20%) larger than Wallingford. Our utility provides over twice as much revenue to

the general government as does the private utility in Meriden. It is extremely important that be kept in mind when debating whether or not we are getting our justifiable profit out of this division. The other side of the issue, which is of the most importance to me, is, how do you intend to fund town government? If I want a fire truck or a community pool, and everyone in this room knows that I want a community pool, I am going to step up to the voters of this town and say, "I think it is in the best interest of this community to have a community pool, to have a fire truck, to have larger schools, to have a rec center and we will pay for that out of tax revenues. We will come to you and ask you for money. We won't go around the bend and up your electric rates only to take it out later in the town budget in the form of an increased subsidy or increased dividend, to the community." This, I feel, is a very, very important point. I think the voters are deserving of straight forward talk from your Town Council and entire Town government. You don't do it by saying, "We will not raise your taxes but turn around and raise your utility rates." The people that provided the money that is now in the retained earnings account, the people, the parties, that contributed to that were the people who paid the money for the electric power. Something that is often overlooked is the fact that \$8 million of the retained earnings came back to the Town in the form of a rate settlement of a lawsuit with the State. That \$8 million came from the people who paid their power bills, who should get the money back? The people who paid the utility bills. I look at the electric division as a co-op more than a private enterprise. It is a co-op among the users of electric power in the Town of Wallingford. As members of this co-op if there are surplus funds above and beyond those necessary to keep the utility running and modern and keep the rates low, as low as practical, if there are excess funds they are to be returned to the members of the co-op and we are not necessarily taxpayers and yes, we are ratepayers but it comes back in varying amounts depending on which class you are at any given time. I strongly believe that if we are going to operate a successful utility then we have to operate it much in that manner.

Mr. Zandri asked if he can comment on statements made to this point?

Mr. Solinsky stated that other people want to speak first.

Mr. Killen stated that he was listening to what Mr. Knight said and he laid out the perfect example of how things should be done, not how they are being done but how they should be done. You raised an excellent point when you mentioned that the previous ratepayers had paid those dollars and the money came back here. There was no move made at that time to pay those ratepayers back again. New people have moved in, some people have died, some have moved away, those people got no share of the money. This has been one of the hue and cry that Mr. Zandri and I have been raising time after time. When does a man who is paying his share now get paid off? Is he going to live long enough to see it? The question of operating funds and whether or not they pay us taxes, etc., right now we have a transfer before us tonight, a transfer of \$500,000. They don't have to worry about whether or not they have that money or not, by State Statute this Council has to come up with the money to operate that particular

facility. The money that comes from them flows into the general treasury, the money for operating that business flows out of the general treasury, so they are home free. We are looking for some way to balance this particular act, it has not been balanced in the past. We had three people speak last evening before it was adopted by the members of the PUC. Three people with excellent credentials. Ironically two of the companies represented are probably the two oldest companies in town. They were here long before there was such a good deal as an electric rate, they have stayed here no matter what the conditions were one way or another. There is no way anyone can point to the fact that they are here simply because all of a sudden we have put this credit rider on. They recognize a good thing! I give them credit! These three men, if I may put words in their mouths, said, "here is some money that the Town has been holding and we haven't been getting any in the past. At least this way we are getting something. Sure, it has helped their business, I don't blame them for coming forward, they would be stupid not to. I have in front of me one page of the minutes of February 8, 1994 in which the Council queried our Comptroller on the fiscal being of the Town of Wallingford, according to our audit.

Excerpt from Town Council Meeting Minutes of February 8, 1994:

Mr. Zandri's words read, "We have the following funds in reserve; \$3.6 million for our Aa credit rating; \$1.7 million for one year's payment on the Capital and Non-Recurring Fund; \$3.5 million to offset one month's electrical billing obligation to NEU (Northeast Utilities); \$1.5 million to offset three month's water division operating budget expenses; \$1 million for three month's sewer division operating budget expenses, after all these dollars are set aside in reserve accounts we have approximately \$15 million in Town unappropriated fund balance. These dollars are available for Town use."

Mr. Solinsky asked Mr. Myers if Mr. Zandri was correct in his presentation?

Mr. Myers responded, yes, they are accurate.

End of excerpt.

Mr. Killen continued, and then you wonder why people are saying, "hey, if the only way we can get it (the money) is through a rebate, let's get some of it back"? When this Council sought a couple of years ago to use dollars in the Capital and Non-Recurring Fund the Mayor for the first time vetoed the budget.

Excerpt from Mayor's Veto Message - May 29, 1990

The following questions and answers provide some explanation for my concern regarding policy issues.

Has the Town Council increased the level of spending over that contained in the proposed budget? Yes, an increase of \$729,577.

Has the mill rate been increased to meet the increased spending?
No - The mill rate is reduced fro 39.8 to 38.9 mills.

How is the increased need of money in the adopted budget satisfied? \$1,787,000 is taken from the Electric Division for general government operational costs.

Has the Electric Division indicated that it does not need the \$1,787,000? No - The Electric Division has identified major capital replacement projects including a \$20,000,000 new electric generation project sited at the Pierce Plant and has indicated that the \$1,787,000 should be spent for those purposes.

Have any objections been raised against the Electric Division project indicating that it is unlikely to be implemented? No - the Mayor and Town Council have indicated approval of the project and design work is being completed at this time.

Is there any assurance that \$1,787,000 will be available annually form the Electric Division for support of general government spending? No - Currently the electric rates do not provide funds for such a purpose.

End of excerpt.

Mr. Killen went on to say, I would like to stop for a moment and think about that. If the only thing that is making the Town so attractive is the fact that we are adding this rider, what happens when we run out of money to provide the rider? Is everyone going to pack up and leave? It is something that you may want to think about.

Excerpt from Mayor's Veto Message - May 28, 1991

Our current policy is to appropriate \$1,275,000 from the Electric Division. The amount is increased each year by 5%. This policy is incorporated in the planning of the Electric Division. It is predictable by both General Government and the Electric Division.

If we are to increase that amount by \$1,525,000 without prior notice for planning, vital questions must be answered. Will the electric rate continue to provide these funds in future years? If the rate is inadequate, when will a rate increase be necessary and what impact will it have? If the rate remains the same, will retained earnings be impacted in order to adequately provide for the operational needs of the Electric Division? Will a loss in the retained earnings adversely affect capital projects of the utility? To the extent that the Electric Division is at fiscal risk, is the fiscal health and credit rating of the municipality at risk?

End of excerpt.

Mr. Killen stated that they are excellent questions, but the problem is they are rhetorical and have been completely ignored in the veto message. You are asking exactly the questions that the Council has been asking. You have got a windfall here, what are you doing with it? You have a gentlemen here asking you about the golf course. He said, "why isn't it in line, why isn't the swimming pool here, why isn't the golf course here, why isn't the recreation department there, why aren't the Wooding/Caplan properties there, why isn't community lake there? They have never appeared, yet the dollars that I read to you are right here. Anyone who wants to see them later on, I will be glad to get you a copy of them. These are our dollars going absolutely nowhere. What we are seeking now is to put an end to this particular thing and use the dollars the way that they were intended to be used, by this Town, itself and not by one division.

Mr. Gouveia stated for the sake of clearing the record that the debate here, tonight, is not to increase rates. It is to extend a credit. Last time the PUC commission was before the Council asking for an extension of the credit I spoke in favor of that extension. And I said at the time, and I quote "That the reason I spoke in favor of it was because it represented a long, overdue rate settlement with the ratepayers." Let me explain why I made that statement at that time. In 1985 Northeast Utilities attempted to pass onto its customers, including Wallingford, the costs associated with the construction of Millstone III nuclear plant. The State Department of Public Utilities Commission (DPUC) fought on behalf of Northeast Utility ratepayers and won the case in Hartford. Northeast Utilities was not allowed to pass on the cost of Millstone III nuclear plant until its plant went on line. The Town, however, because of it is a wholesale customer had to fight the increase in Washington, D.C. with the Federal Regulatory Commission (FERC). The process took three years. In the meantime Wallingford had to pay the increase demanded by Northeast Utilities. To accomplish this, rates were increased first by three percent (3%) and then by nine percent (9%). In addition to that, over \$250,000 of ratepayers money was spent in legal fees in Washington. In 1988-89 fiscal year a settlement was reached in Washington and \$7,622,953 were returned to Wallingford. This money was not returned to the ratepayers. The rates were not rolled back. I favored the credit rider then because it was just what it says, a credit to the ratepayers for an overpayment by the ratepayers. The \$7,622,953 have been credited to the right people, the ratepayers and there is no more. As Geno stated, over \$7.5 million has been returned. I would continue to favor the rate reduction or rate credit if it could be accomplished within the annual electric division budget. But I cannot see carrying the ratepayers on the backs of the taxpayers and use taxpayers money to subsidize ratepayers rates. The electric division belongs to the taxpayers of this town, not to the ratepayers of other communities. Any liabilities of the electric division are the responsibility of taxpayers and not ratepayers. The electric division is not, and has not in the past, adequately compensated the Town for the Town's investments in the division. This despite the fact that from 1987 to 1992, a period of five years, the PUC budgeted for a \$4.2 million net income but the actual was \$13.5 million net income. This also despite the fact that in 1991 an outside and impartial consultant commissioned by the Council and paid \$54,000 concluded that the

electric division should double its compensation to the Town. We have not acted on that. Again, in view of what Mr. Zandri said, which I could not duplicate and what other people have said on this Council, yes, I would continue this credit rider providing that you would not be borrowing money from the retained earnings to accomplish it. If you could do it within your annual budget that would be fine. But taking taxpayers money to subsidize the ratepayers, I cannot do it.

In response to Mr. Rys' comments, Mr. Zandri rebutted, as far as businesses moving out of Wallingford, I don't know of any place in Connecticut where they can get a better rate than they are getting here. There would be no incentive, in my eyes, for any business relocating out of Wallingford.

Mr. Rys had no comment.

In response to Mr. Knight's comments, Mr. Zandri rebutted, regarding the Payment In Lieu of Taxes (PILOT) payment, we get \$1.5 million or so from the electric division. Basically this is a payment in lieu of taxes and even though it may be more as far as the actual tax amount would be, you have to look at this as a business. We are looking at a business that is worth approximately \$50 million. If you owned a business that was worth \$50 million and it only returned you at the end of the year \$1.5 million you would get rid of that business because you can make more money having that money sit in a bank account. So that's why my argument is that the \$1.5 million is not enough money for the amount of money we have invested in this particular business that we have. And also, regarding your comment made about increasing rates, my argument is not increasing rates. We do not have to increase rates at all. We can still have the low rates that we enjoy today. It is how we utilize the profits of those rates is where I am coming from.

Mr. Knight responded, regarding the return on investment that you are speaking of with regards to the \$50 million business. Indeed, this business does gross in the neighborhood of \$40 million or so.

Mr. Zandri: I am talking about net worth.

Mr. Knight: Regardless of which index you use, if this were a private enterprise, this would not be an adequate return on investment as if you were strictly speaking of what flows back to the Town in terms of dividends, if you are talking about the \$1.5 million. However, what isn't spoken of is the invisible dividend that every ratepayer is given by virtue of being and that is why I refer to this as a co-op. My electric rates, I saved last year hundreds of dollars over what I would have paid had a private utility provided me with electric power in my house. Northeast Utilities would have charged me \$1,319.00; I ended up paying \$944.00. That is a \$375.00 savings. I am just one guy with a small house. Every member of this co-op receives a dividend in the form of lower rates as compared with what we would have to buy from a private utility. That has to be thrown in the mix. That is a dividend as well as the \$1.5 million returned to the Town.

Mr. Zandri: But Steve, it is there anyway. I am not asking that it

be changed. I am not asking that we increase the rates. At the normal rates we would still be paying less than other communities. I am not asking that the rates be increased. That is a dividend that we have by owning this business and that dividend would not be lost. My concern is and always has been, and I can't emphasize it enough, is what we do with the profits from this business that concerns me.

Mayor Dickinson: It is important to clarify something. When we talk about not higher rates, technically, that is correct. But you would be paying a higher bill. The rates may not change, the credit rider would not be there, the rate would still exist but you will pay a higher bill because there will not be a subsidy from the credit rider. Technically, Geno is correct, there would not be a higher rate but the bill you would receive without the credit rider would be an increase out of your pocket to pay for electricity. What troubles me at times about government is that there is always a hunt for revenue. In these times, especially, we should be cognizant of a need for government to live within its means. Within its means should be interpreted to be primarily within what the taxpayer could afford to pay. The \$7 million or \$8 million is a one-time revenue source in the electric division. The rate settlement is just that, a one-time source.

Mr. Zandri: I disagree. That is not true.

Mayor Dickinson: When that is gone it will not be replaced unless you do increase the rates. That one-time source should be husbanded and used primarily, in my opinion, for the electric division purposes. Do they have projects identified without even considering the Pierce Plant? To my knowledge, yes, some \$20 million worth of projects over the next five to seven years. If we use \$7-8 million on general government projects where does the money come from for electric projects? Out of increased rates. Every dollar that is used has to be replaced from somewhere. If we were co-mingling tax money and rate money so that no one could tell what the cost of the utility was, and no one could tell what the cost of general government might be, I could understand criticism from every corner and I would be here to tell you that I am to blame and it is wrong. But we don't look to co-mingle it. We have made every effort to separate those sources of revenue and keep them separate. Electric rates should be for the operation of the electric division and the contribution to the Town for the Capital & Non-Recurring Fund. Tax rates should support general government services and what we would like to enjoy in our community. When you begin to co-mingle those too much no one would be able to tell you who is paying for what and at that point I think that the public would have a right to say, hold on here folks, exactly who has their hands on the purse strings and how do I know what my dollars are being used for? I think that the credit rider should stay in effect. It does provide a lower rate bill than what you would receive if the credit rider is removed. The rate would be the same but you would pay a higher bill if that credit rider is removed.

Mr. Zandri: By eliminating the credit rider I totally disagree with the Mayor, it does not mean that the rates have to go up, I have emphasized this time in and time out. I am talking about profits of

the electric division! If you look at last year's budget, even with the \$3 million credit rider, if you look at the figures that division made over \$2 million profit last year. Look at the figures. Look at what they budgeted for, look what they projected in losses and look at what the bottom line was. Again, I am not talking about using any money from retained earnings, I am talking about money from profits, and you can do it year in and year out. You do not have to raise the rates. You can say what you want, I have stated from the beginning of this issue that we are fortunate in Wallingford, we own a business. Other communities don't have that luxury. We are fools for not utilizing this business like any businessman who would benefit himself. What we are doing here is, the residents of this town, wake up residents, you are subsidizing big business in this town. I will give you some examples. Last night at the PUC meeting there was two representatives of big business in this town present pleading their case. Pleading their case about the dollars that this credit rider was going to help them out. One of them happened to be Allegheny Ludlum. I happened to pick up the newspaper this morning. The residents of Wallingford are subsidizing Allegheny Ludlum. Well, Allegheny Ludlum enjoyed a profit last year of \$70.8 million! They are really hurting! American Cyanamid was there last night pleading its case. American Cyanamid enjoyed, in 1992, a profit of \$395.1 million in profits. People, we are subsidizing this type of operation. You just better wake up! We can use the dollars for ourselves here. Believe me, I am not up here looking for this stuff for me, I am looking out for the residents of this town. We are fortunate to be in the situation where we can utilize this money so we don't have to raise our taxes, so we can put a pool in, so we can expand the schools without having to go into our own pockets and do it. We are in a position to be able to do that.

Mr. Killen: I consider it rather ironic to hear the fact that we should not co-mingle the funds of the electric division and the Town coffers. One of the larger industries in town saw fit to make a contribution to the ladder truck, recognizing the need for it in town, we don't mind co-mingling private funds in with our own when it is our obligation to provide a ladder truck for the people of this town. In addition to providing those dollars it was evolved that the fire chief would have to meet matching funds. We are more or less asking our fire chief to go out, hat in hand, and ask other people to come up with funds to provide something we are obligated to do. It is also ironic that we are sitting here this evening in this particular building discussing this. Back in the old days when the Borough owned the electric division, which ever party was in power took it upon themselves at election time to do something in the proper neighborhoods with funds from the electric division. It reassured their re-election. Later on, things got a little sticky and United Illuminating showed an interest in the electric division and on this very stage the people from the electric division put figures up there that would stagger you. They were talking back then, many moons ago, about turning over \$1 million to the Town within seven or eight years. In fact, they never got to the \$1 million until one evening when Mr. Zandri finally made a motion to increase the amount to \$1 million, otherwise it would probably still be below the \$1 million. These things have a way of following themselves. Nothing gets done until

someone gives a little bit of a push. In addition to that for years, back in the 1960s, we had a Capital & Non-Recurring Fund which calls for fifty or fifty-five percent (50 or 55%) of the net income is supposed to go into that fund. It has been ignored. It does not meet with the powers that be. What is a rule here or there? Rule and fractions are much more important if they accomplish what we have in mind. The rest of us here are supposed to go by the rules and the problem with us going by the rules is that we, the majority, nine times out of ten are defeated by the minority simply because we are forced to follow the rules. That is the way the law happens to work in this particular case. I can live with it but I am not happy with it. By the same token aren't the powers that be supposed to follow the same rules even when it doesn't make the taste in their mouth any better than it makes the taste in my mouth. The answer is no! They just ignore the rules. In all the years I have been in here I have seen too many of our chief executives tell me point blank, "it says right here in the Charter that I can do this and I shall do that", which is fine. The problem I have is when I challenge them on a particular item and say, "you can't do this and you must do that", who the hell needs the Charter? It works both ways. The only reason most of you people (public) is learning any of these things tonight is because they are brought out around a table like this, by Councils like this. The real damage is done behind the closed doors. People out there don't even know how they are being hoodwinked. They don't even know who to blame. Time and time again they will call upon this particular Council and say, "why don't you...how come you..." and when we point it out to them or say, "pay attention to the minutes" they cannot be bothered with that. The bottom line is, there is a right way and a wrong way to do these thing and if these dollars were going to be used in a pattern which stayed consistent I would have no problem. The first letter I read you was from 1990 where it said that the electric division had a specific purpose for the funds. Whatever that reason was disappeared. The following year, 1991, the dollars were supposedly going to be used, that disappeared. I have sat in, three times now, on plan changes by you people (electric division) and I realize you have to keep up with the times but in the meantime dollars are flowing elsewhere and not being used for the purpose that the Council was told we could not touch them for this particular reason. Pretty soon comes the credibility gap. No one will believe anyone. Pretty soon we will have to shut this particular door.

Mr. Knight responded to Mr. Zandri's remarks regarding subsidizing big business.

Mr. Knight: It was stated that we do enjoy lower electric rates as does all our industries, large and small, than anyplace in CT. Well, anyplace in CT. has almost thirty or forty percent higher than the Midwest, probably fifty or sixty percent higher than the southeast. We are not competing with Meriden for any of these big plants. If we want to retain American Cyanamid, if we want Allegheny Ludlum to...when they start weighing their capital expenditures and they decide whether they will improve the mill in Wallingford or just install another one in New Castle, Indiana, one of the factors that goes into the mix is the cost of power. This subsidy, because they actually made money last year, \$70 million, interesting question might be, what is that a

return on? We don't know. That could be a great rate of return or it could be just barely making money. Regardless of whether they make money or not we are competing with the rest of the country for these plants. I want to keep Allegheny Ludlum here and if we give them low utility rates by virtue of the fact that they are a member of this co-op, so be it! Four hundred plus (400+) people are employed in this community or will be, hopefully shortly, because Allegheny Ludlum is here. Allegheny Ludlum moved the tube mill out of Wallingford to Oklahoma. Why? Cheap utilities, labor. We have some offsets we have to make. We have the highest tax structure in the country, we have the highest labor costs, we have to offset and if it means that they benefit from lower than average utility rates, so be it.

Mr. Zandri: With any business all of those move judgements are just that, judgements. And believe me when I sit here and tell you, if it pays a company to relocate, they will do it. This credit rider is not going to keep them in this town. It will take more than that.

Mr. Gouveia: I would like to respond to the comment that the Council often tries to raid the so-called retained earnings account of the electric division. The Council has not, and has not been looking for a one-time revenue source from the division. What bothers this Council is that, too often, we look at that retained earnings account and that account is becoming a sinking fund, allowed to increase from year to year to year without paying just compensation to the Town. No, we don't want a one-time appropriation of funds from the electric division from the Town, we want to increase the compensation to the Town that the report clearly indicates should be increased, should be doubled, in fact. Why is that necessary? Again, if you look at the number that I just gave you. The PUC projected for a five year period \$4.2 million net income. They ended up with a \$13.5 million income for that same period. There is no need to raise the rates, there certainly is money there sufficient enough to pay the Town the just compensation for its responsibilities for being the shareholders of the electric division. We are very soon entering into new contracts for power supplies. Is there any guarantee that the present rate structure will support the contract?

Al Kovacs, PUC Chairman responded, our rates will be reviewed at that time.

Mr. Gouveia: So right now there is no guarantee at all that the present rate structure will support the new contract that we have to enter.

Mr. Kovacs: I could never make a guarantee like that.

Mr. Gouveia: What would happen under the new contract next year or two years from now or three years from now if the rates would have to be increased to sustain the new contract? What would happen then, and by the way all the retained earnings monies have been refunded to these companies and the ratepayers, who would make up the vacuum? The rates would have to increase drastically to these people. Would they pick up and move out of town?

William Cominos, General Manger of the Electric Division: I think it would be unfair and premature at this point to even speculate that far.

Mr. Gouveia felt it was a worthwhile point worth noting. People seem to think that unless a rebate or credit rider continues it is very likely that we may start losing business. The point that I am trying to make is, this contract that we presently have with NEU will not last forever. Another two or three years and we are going to have to enter into a contract with another power supply source. At that point in time it is very conceivable that the rate will have to increase. Then you are facing both a rate increase and the lack of funds to subsidize the present rates. Who is going to or what is going to make that vacuum that will be created then? And if nothing can are these people picking up and leaving town because of it?

Mr. Cominos: It is unfair to use that scenario if you have not been into negotiations at this point. You are not looking at a two to three year contract, it is in the neighborhood of ten years. You have to wait until the contract is proposed to the Council to take a look at it and then ask those questions.

Mr. Gouveia: Again, the point that I am trying to make is simply that there may possibly be a point in time whether it is three or four years from now where you are faced with a scenario that there are no more retained earnings account from which to draw funds to subsidize the present rates. At that point in time you may end up with higher rates to sustain the new contract and there will be a large vacuum that someone, and I would hate to think that at that point in time these companies will simply shut down and leave because of it.

Mr. Cominos: We can also look at it that we can stabilize rates and companies will stay.

Mayor Dickinson: To answer administratively, that is one of the reasons you have retained earnings to be able to stabilize rates to have the funds to offer a rate stabilization option. If rates go up then they are feathered in over time. That is the rationale for not using up everything and being faced with sudden cliffs.

Dave Gessert, PUC Commissioner: Right now I think is a very positive time to be in the market for power. It is a very competitive time in the power field. The efforts that Mr. Smith (Director of PUC) has been putting forth in the negotiation process, I feel very confident that he is going to come up with a contract with good rates for us. The other thing that has to be kept in mind, if we can come up with a good, long term contract that stabilizes our rates, certainly one of the things that we would like to do is enter into negotiations with some of our larger customers to help them fix rates and lock in rates so that they will know what their costs are and they can bank on them and will stay. That is our goal and objective.

Mr. Gouveia: There seems to be a change in policy here. and that is that up until very recently we were led to believe that the reason that no one should touch the retained earnings account was because

that money was there for the purpose of modernization or expansion of the Pierce Plant or some other new plant. At this point it seems to me that we will never see that taken place. Now we are told that the retained earnings are there to subsidize the rates. I am not so sure that there hasn't been a change in policy.

Mr. Gessert: I did not indicate that the retained earnings would be there to subsidize rates. What I am saying is that part of the retained earnings is being used to fund the credit rider, you are absolutely correct. There is a list of projects that need to be done and if there is any criticism of the electric division, which I don't feel is deserved, I would like to see some of these funds and projects moved along a lot faster. I think with a new general manager on board there is going to be an emphasis to move these projects which are necessary for upgrading and improving the system not only in Wallingford but also for the thousands of customers that we service in North Branford. We just spent approximately \$3-4 million on a major substation on the north end of town, Colony Station. We could very easily use this money up very quickly by moving on some of these capital projects. The fact that we went without a general manager for a year hampered that process. Not that we are trying to spend the money just to spend it, but these are needed projects that have been necessary for a long time.

Mr. Gouveia: That is what I believe the funds should be there for to be honest with you.

Mr. Knight: Peter, you cited a statistic regarding projected profits, actual profits over the past five years?

Mr. Gouveia: From 1987-92.

Mr. Knight: You then stated that they projected a \$4.5 million and they actually produced.....

Mr. Gouveia: And that does not include the \$8 million.

Mr. Knight: It does not include it?

Mr. Gouveia: No, it does not. It does include, however, the interest earned on those \$8 million.

Mr. Killen felt that the problem with our dollars from the electric division has been pure speculation. In the Mayor's letter from 1990 it was speculated that those dollars were going to be used by the electric division. There was no hard and fast rule. They did not get used for that purpose and they didn't the following year either. He pointed out that out of all the plants in town the two oldest came down to thank us. In reality they were thanking us for something that they did not know they were going to get but we gave them. They were not saying that they were going to collapse and move out of here if we had not given them the dollars. Let's put everything in its proper perspective, let's play on the same team.

Mr. Cominos: I have been here two years and the democratic process is

alive and well in CT. and proud to be part of it, proud to be a resident of this town and a manager of this town. We can have discussions and dialogue and it is all in the best interest of the town. That is how I take it as your manager. I don't take exception to what anyone says on the Council for I am a taxpayer the same as you are. We can agree to disagree at time and that is the way it is going to be. I am not here to win, lose or draw, just to do the best for the Town. I have to live with whatever decisions I make or recommend to you.

Mr. Gessert: Recently there was a town in Maine who was supplied power by Central Power for many years. The rates went up and a competitor from CT. went up to supply power for that small town. We see small electric divisions like ours being gobbled up all over the country by their neighbors. The things that the investor-owned utilities like best is for the rates to go up and then the people say, who needs the local utility and pick up in addition to their franchise territory. In reference to the 55% ordinance, he remembered when there were times that the Town received 55% of nothing. It was not a very big amount and it did not do a hell of a lot for the Capital budget for the Town. You can call it partisan or not but I think a number of years ago the Mayor recognized the 55% formula did not make an awful lot of sense and decided that there should be a standard figure and we know that figure of \$1.5 million is probably two to three times the tax revenue that would be generated if a private utility owned this operation. First, the Pierce Plant is fairly well depreciated and would not produce an awful lot of revenue; the fleet would be moved out; John Street would be closed and they would be taxing transformers, substations, line and poles and the fleet would end up somewhere else where someone would get the tax revenue from it. One of the things that the electric utility does unlike the investor-owned utility, in Meriden they pay business rates for all their schools, Town Hall, Public Works building and on all their buildings. North Haven has the same scenario because United Illuminating charges business rates. There is not separate rate for municipalities. The Town's electric divisions charges all of our schools, Town Hall and all the other town buildings at cost which is an additional savings in your budget process of about \$200,000 over what it would cost if you had an investor-owned utility here. There are some additional savings in addition to the \$33,000 the division pays in rent for the offices in the Town Hall and some additional revenues that do come back from the utility. Having a solid game plan of a certain amount of money raised every year on a regular basis to provide for inflation and growth, I think is a admirable policy and one that makes sense. The statement was made earlier that the Town is not adequately being compensated for their investment. Well, I guess you have to look at investment. At one of the meetings it was pointed out that ninety-five (95) years ago \$50,000 was put up to form the electric division by the taxpayers of the Town. I know that they got their \$50,000 back and the electric division has not asked for another dime from local government to be invested since that time and I know that in at least the last five years that at least \$7 million has flowed back to the Capital & Non-Recurring Fund of the Town. On the original investment there has been a significant amount of money flowing back to the Town.

Al Kovacs, Chairman of the PUC: It is hard to believe, Mr. Chairman, in the U.S. who have power plants such as ours that give their respective towns nothing in lieu of taxes. Should they need a new fire truck or a swimming pool or major capital project, the monies that they accumulated in their budget by not paying PILOT payments are use to pay for those items, in cash. I am not proposing this for the Town. There are other avenues, plans. Yes, I agree with Mr. Killen that the officials present at the PUC meeting last night would be fools not to plead the credit rider continue. The gentlemen from American Cyanamid did make one statement that sent me out of my seat which was, "several hundred jobs were saved at that plant regardless of what they made" and he gave the credit rider...he felt that the reason those several jobs were saved...he is not talking about two or five jobs...was due to the credit rider. I can point out CT. Steel as our third largest user of power. They were on the verge of packing up. Are we subsidizing the credit rider? Probably. But if it means several hundred jobs just in one plant and we feel we kept another plant here, that was the intent of the credit rider in the first place.

Mr. Zandri: I was at the same meeting last night, myself, and I did not hear those comments made that several hundred jobs were saved because of the credit rider and I doubt, very seriously, if that is a fact. As far as the steel company being one of the largest users, that is correct, and I believe that one of the subsidies that they are getting is negotiation between our general manager and Northeast Utilities to help them on a particular subsidy of their electric rates. As far as Mr. Gessert's comments regarding our initial \$50,000 investment, that potentially was the initial investment but you must remember that every dollar of profit that is turned back into the business for capital improvements is an investment by the stockholders. That is exactly how our business has grown in the Town.

Mr. Killen: We have a large amount of charitable non-profit buildings in town that pay no taxes. The State will not allow us to. The electric division does not give Wallingford and the school system the lower rates out of the goodness of their heart State Statute says you have to charge at cost. I have asked many times, what is cost? I still have not ever got the answer. When the Mayor found that the 55% would not work then he took another route. It goes back to following the rules. That ordinance is still on the books. That is the law. It is ignored.

Mr. Solinsky: Say you didn't have a credit rider and just adjusted the rates, can you do that? Why do we have a credit rider.

Mr. Gessert: You would have to perform a cost of service study and a little more investment if you are going to change the rates. Will we change the rates a year or two from now and establish a whole new rate structure once we find out what our long term power supply is? I wouldn't be a bit surprised if it happens.

Mr. Solinsky: I am hearing two sides of the actual credit rider, one is the residential and that people are getting peanuts back, why bother and the other is that you are subsidizing big business. Have

you looked at one or the other? How much money is going to the residential customers?

Mr. Gessert: If you look at the division of revenues in the electric division it is approximately 1/3 industrial, 1/3 commercial, 1/3 residential. If you look at that it would be approximately \$1 million into each of the three categories. Have we looked at giving the rider to one group and not another? Yes, it was looked at a number of years ago when we first started the rider. The credit rider came up from initial discussion with the Economic Development Commission talking about an incentive rate for companies to move to Wallingford, lowering the rate by ten percent (10%) for the first couple of years. From that evolved the concept of the rider or lowering the rates across the board for businesses because of the economic situation that many businesses found themselves in. The question at that particular time was, is it fair and should we just give a reduction just to businesses or across the board to everyone who has paid into the funds? The conclusion very quickly was arrived at that the residential ratepayers paid in for that money that was in the rate settlement as well as other funds in the division and the only fair thing to do since many families were hurting as well as businesses, was to extend the rider to everyone. That savings varied depending upon usage. A gentleman from Oakdale Woods appeared before the PUC last night because he has electric heat and the rider is very important to him as well as the other ninety-six residents of that division.

Mr. Solinsky: If you adjusted the rates you could accommodate people who are on the outside limit of each group and you wouldn't have to answer the fair question. A heavy user of electricity for electric heat, you could adjust the rates if you wanted to help that particular group. For the average residence, what would the average residence monthly bill be?

Mr. Gessert: \$50-60. The credit rider would amount to five percent (5%).

Mr. Solinsky: It could be that people in that \$3.00 range are not thinking that they are really getting a break. That could be accomplished through the rate if you wanted to do that.

Mr. Gessert: Then if you give it to the fellow with the \$250 electric bill and nothing to the fellow with the \$50 bill, they will claim that it is not fair. It is difficult to make something like that single out any group.

Mr. Solinsky: If you adjust the rates for residential, commercial and industrial, is it going to be fair? Each group could say it is not fair, they are in the wrong group.

Mr. Gessert: Across the board no one is being denied benefits.

Mr. Solinsky: How much have you looked at having a different credit rider such as leaving the residential off or altering it? Or is it always across the board?

Mr. Gessert: It has always been across the board and there was no move to change it and start eliminating one group over another.

Mayor Dickinson: You can adjust rates to effect different classes but I am not sure that you can provide a credit rider that can do that.

Mr. Cominos stated that this is the normal way it is done throughout the country. Study after study has been looked at and this seems to be the way it works.

Mr. Solinsky: The biggest argument that I am hearing for the credit rider is that we are helping business. That is what I am hearing.

Mayor Dickinson: I don't think that is the biggest argument on it. I don't think that you can say that an individual with a \$60 electric bill that bill would be 5-10% higher. Can you say point blank that it is of no benefit to that individual? I don't know that you can make that evaluation. It depends upon what economic condition that individual is in at the time you are speaking to him. If he is unemployed every dollar is important to him.

Mr. Solinsky asked, how many average ratepayers came to the meeting to ask that we keep the credit rider?

Raymond Smith, Director Public Utilities, responded, none of the average kilowatt users showed up.

Mr. Gouveia referred to the statement made earlier that approximately \$1 million is returned to the residential customers of the utility. That means that approximately 18,500 residential customers split that \$1 million. Four or five industrial customers split the \$1 million returned to their group by the utility. That is why the credit rider has such an impact on the industrial customer more so than residential.

Mr. Smith explained the formula to the credit rider; for every kilowatt hour the customer is billed a discount is applied. If you are a large volume user then the discount is large, etc. There is a slight skewing to the formula because businesses get billed on demand also so they have two components of the bill which residential customers do not. He went on to say that, in checking back in the records kept by Mr. Pierce, the original \$55,000 investment in the utility was all paid back through the rates. All the ratepayers have built the asset. Every dollar that has been infused into the utility have been provided by the ratepayers. It is a little different than a private corporation where you have ratepayers and stockholders who all come together. He was not disclaiming who owns the utility or who is responsible for operating it. There has been no outside sources contributing to the asset.

Mr. Zandri disagreed with Mr. Smith. He responded that he realized that the ratepayers paid in, it is no different than any customer in any business. He has customers in his business and when he reinvested his money it came from his customers, but it is his money to do what he pleases with, not the customers. If he chose to build up his business or go on another vacation, that is his choice as an owner. The dollars still belong to the owners, the stockholders, who are the residents of Wallingford.

Mr. Smith responded, I agree that the residents have the final say on any action of this utility and the residents are getting benefits, if you will in the dividends or returns through lower rates. There was a \$250 savings last year for the average ratepayer who paid \$60 month.

Mr. Zandri responded, that is not the amount saved by the credit rider.

Mr. Smith agreed, that was the savings on the entire bill. The credit rider saved the average ratepayer \$50 per year.

Mr. Killen referred to Mr. Zandri's comments made earlier with regards to the large profits made by Allegheny Ludlum (\$70 million) and American Cyanamid (\$395 million) and pointed out that those profits were generated by their customers. But that did not make the customers the owners of those particular corporations. Same thing here, the ratepayers may have generated all of those dollars but the ratepayers are not responsible should there be a loss. The ratepayers cannot decide what is going to be done with the plant nor can the owners per se, the electors are the ones who decide what we are going to do. The electors own the plant but the taxpayer is the one who is liable for those dollars. We never ask the Tax Collector what he would like to do with extra tax dollars that he may take in. You say, "Look at the dollars we are bringing in". You are not by of yourselves bringing it in, you happen to be a subordinate of the Town of Wallingford. You have a captive audience and cannot help but make dollars. That does not mean then that you should decide the policy.

Mr. Knight responded, the ratepayers did, indeed, put all the money in that the electric division and believes that they should receive the benefits. If, for instance, Northeast Utilities should come upon an unexpected windfall in lower fuel prices and decided to disperse it among their stockholders instead of reducing rates, how do you think that the DPUC would feel about that? I suspect that the DPUC would say, no! The ratepayers put the money in, the ratepayers get it out.

Mr. Gouveia commented that none of that changes the fact that it is the taxpayers that are liable and responsible for the division. Every time you float a bond it is with the full faith and credit of the taxpayers that supports that bond. If a disaster occurs at the plant, it is the liability and responsibility of the taxpayers and not the ratepayers. You can't go to Northford and tell the ratepayers to help you out.

Edward Bradley, 2 Hampton Trail referred to the Mayor's remark that every dollar is of value to the unemployed homeowner. He informed the Mayor that he hoped that same thought process and philosophy would be applied as it relates to tax increases. The \$3 million credit rider has been returned to the ratepayers for the past two and one-half years. How much longer will it continue at this rate?

Mr. Smith responded, I would hope by next year at this time that our power supply situation will be finalized. His opinion is that we will not be in a credit rider mode but a restructuring of general rates, in total.

Mr. Bradley asked, the credit rider will expire but yet he will continue to see that rebate in the coming years?

Mr. Smith answered, the rebate will be impacted by whatever new power supply arrangements are made.

Mr. Bradley then asked, if that rebate was not returned could we expect to see people losing jobs in businesses in Wallingford?

No response was offered.

Mr. Bradley went on to say that an electric division study was performed in 1991 at a cost of \$54,000. He asked, what is the fair, equitable way of handling this issue? That question is answered, in his opinion, in the electric division study. It is fair to the Town, the taxpayers and to the utility with regards to building and enhancement of the system. The answer has been there since 1991 but no one will do anything about it. Why do we have a credit rider? In his opinion the writing was on the wall when that study was performed. There was a stampede to do something with that money. How much is Bristol Myers getting back on an annual basis?

Mr. Smith responded, he did not have the figure handy and guessed that it would be approximately \$12,000 per month based on their energy usage.

Mr. Bradley responded, that is about \$140,000 per year?

Mr. Smith answered, yes and they pay approximately \$2.5 to \$3 million per year.

Mr. Bradley felt it was understandable to base the credit on kilowatt hour usage. He asked everyone to remember that Bristol Myers is a multi-billion dollar world-wide pharmaceutical company. He would like to know what their profit was last year. It most likely would make American Cyanamid and Allegheny Ludlum's returns look like pennies. He had no problem with the electric division returning their fair share. But the money that comes back, he feels, should not go towards reducing taxes. Capital projects, yes; reducing taxes, no. Mr. Killen made mention earlier that managers do change and the current manager of the electric division should not be held accountable for what has happened in the past. We do, however, have a director of the utility who has been there right along. Mr. Smith makes between \$90,000 and \$100,000 per year. Hold him accountable. That is where accountability starts.

Geno Zandri, Jr., 1068 South Colony Road stated, as a small businessman in the Town of Wallingford I would be a fool to stand before you and criticize the extension of the credit rider. In fact, I am here to hand out thanks. I would like to thank the PUC commissioners and the Mayor for their policy on running our electric business. Because of your action my business will enjoy an additional \$2,000 in profit next year. But I guess I owe the residents of Wallingford the biggest thanks. After all it is your money we are talking about here. And while the residents of Wallingford continue

waiting for Community Pool, a new fire truck and school additions, I will be able to start planning one additional vacation for myself next year. Think about it.

Jon Walworth felt that the Council's motion or agenda item is misdirected. Should it not be that the vote on a increase on the amount of a payment in lieu of taxes from the electric division? I think that the credit rider is a whole different subject then what the Town is returning in funds. I think that the credit rider makes sense. He referred to Mr. Zandri's comments about the two largest power users in town who came forward at the PUC meeting in defense of the credit rider and the reported profits of those companies. He asked, does that insinuate that those users made excess profits or that those profits came from Wallingford? What is appears is that if someone comes forward and makes testimony then we will find a reason that possibly that testimony was in error or that they made excess profit.

Mr. Zandri rebutted that his point was not that the companies were making excess profits but that they were making enough profits. Why should we have to add to them at the expense of our own business?

Mr. Walworth asked, what is enough (profits)? Do you mean that they made more than they should have made?

Mr. Zandri felt that the example he gave of his own business was enough of an example.

Mr. Walworth asked, where did the retained earnings come from? One-third was from businesses, one-third commercial and one-third residents.

Mr. Zandri stated that he was not arguing that point.

Mr. Walworth asked, isn't that how it is being returned?

Mr. Zandri was not arguing that point either.

Mr. Walworth stated that he would love to see capital projects funded by some magic amount of money. Make the motion and go for it as far as taking income from the PUC, but as far as what appears to be an attack on businesses in this community because of numbers that those businesses make nationwide, is misdirected.

Mr. Zandri responded, the Council has tried that in the past and it does not work in this town.

The motion on the floor was made by Mr. Zandri to Reverse the Action Taken by the PUC on April 11, 1994 with Regards to the Extension of the Credit Rider and was seconded by Mrs. Duryea.

It is noted that seven affirmative votes of the Council is required to override the PUC action.

VOTE: Papale was absent; Knight, Rys, Zappala and Solinsky, no; all

others, aye; motion failed.

Motion was made by Mr. Rys to Move Agenda Item #28 Up to the Next Order of Business, seconded by Mr. Killen.

VOTE: Papale was absent; all others, aye; motion duly carried.

ITEM #28 Discussion and Possible Action Regarding Bids Received for the Former Yalesville Firehouse - Mayor's Office

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

Mr. Rys stated that he was happy to see that we have a comparison of bids ranging from \$45,000 to \$75,000 obtained through the bidding process. Back in 1987 when the new fire house was being constructed Mr. Rys felt that the former one should have been sold at that time. We had a more favorable economic climate at that time and would have most likely obtained a better price for the property. The bid of \$75,685 proposed by the I'm Special Learning Center was a fair bid in the opinion of Mr. Rys. He supported the sale to the center and hoped that the remainder of the Council shared his feelings.

Mrs. Duryea stated that the previous Council voted on this issue and at that time her vote was in the negative for reasons being that the town did have use for the building. She understands the need to have a place for the children for she has operated a day care facility for eighteen years. She must also consider what is best for the Town of Wallingford. She does not begrudge the building for the use of a day care center but there is a town department utilizing the building. If the building were empty and we did not have a need for town use she would not have a problem. There is a department using the facility on a fairly regular basis. She is not sure that the town has a place to accommodate that town department once displaced. Her vote will be in the negative again, this evening, simply because of that issue. Park and Recreation and an adult theatre group are making use of the building.

Mr. Zappala was under the impression that the building was not being used often and therefore was in favor of selling the property. He felt the bid of \$75,000 was fair. If the Town kept the property it would need repairs. If sold it will generate tax revenue.

Mr. Gouveia felt that if there was no need for the building he favored selling it. In 1991 he actively sought to gain the Post Office's interest in moving the Yalesville branch to that location. Police Department statistics show that the present location of the Yalesville branch is dangerous. It is obvious, also, that the size of the branch is inadequate. Had he had the support of the Mayor and the public on this issue he felt that the Town could have enticed the Post Office to move to said location. He asked to hear from those departments currently utilizing the building and administration as well prior to making his decision. He felt that \$75,000 was a good price for the building and the purpose for which the building is being proposed is a good one. however, he needed to hear more on the subject before making a decision.

Thomas Dooley, Supervisor of Program, Recreation Department stated that the limited space with which the department has been operating has been well documented. Although the Mayor has publicly stated that the recreation center is a high priority it does not solve the present problems at hand. Today he was notified that his department will no longer have use of the Washington Street Gymnasium as of June, 1994. Somehow the department must now find room for programs which accommodate up to two hundred people regularly attending programs. In addition, the department has been housing the Second Stage Theatre, Strawberry Jam Theatre and Stuff in the Attic Theatre over at the Yalesville Fire House which is utilized for theatre productions roughly thirty weeks of the year and utilized for storage for fifty-two weeks of the year for those productions. If we loose the Yalesville Fire house on top of the Washington Street gym, we will be looking to accommodate 500 people that are actively involved in these programs plus storage area for fifty-two weeks of the year. Although he spoke highly of the Learning Center he urged the Council to keep the building until he can find a home to accommodate all of the displaced programs plus the one currently run at the recreation center.

Mr. Gouveia asked, why not use a school for the productions?

Mr. Dooley stated that the problem has been well-documented and the Mayor is familiar with some of the problems the recreation department has run into with the school system. The recreation department is at the school department's whim and will when they can utilize the school facilities. A program can be scheduled for three consecutive weeks without a problem and, at a moment's whim, be kicked out for two weeks with variable notice. It is impossible to put together anything consistently, especially a stage production.

Mr. Gouveia asked the Mayor if he has identified any other places where the group can relocate to?

Mayor Dickinson responded that the Second Stage Theatre group's use of the building is primarily for storage. Rehearsals can be held anywhere.

Tony Vechitto, 11 New Place Street, Yalesville was saddened that some members of the Council were not familiar with what community theatre is in town. It is not just a matter of storage and rehearsals, the building is used during the day for construction of sets. It can be further utilized by the group if it were not on such a temporary basis. The theatre groups have succeeded where a lot of other communities have not because they have had a permanent base, a place to rehearse. Strawberry Jam is a children's theatre group. Wallingford Camera Club also makes use of the building once or twice a month to train new photographers.

Mayor Dickinson stated that we have had this discussion previously and it is not new that Second Stage is in the structure. Nothing has changed.

Mrs. Duryea interjected that there is now a new Council, something has

changed.

Mayor Dickinson clarified his statement that nothing has changed with regards to the factual material. There continued to be interest in the sale of the building, hence the bidding process. Never was the building envisaged for long term municipal use. It was to sell it to offset the cost of the new Yalesville Fire House. A number of issues interfered, the first being the post office issue eluded to earlier. That forced the sale into a holding pattern for a while. It went out to bid several times, this possibly being the third. The original plan was not to have any type of permanent use of the building, nor would he recommend it. It would become the subject of many maintenance expenses with inadequate parking for any kind of long term municipal involvement. He felt that Second Stage is a wonderful group and Mr. Vechitto a great producer and the recreation department has great programs, however, the long term plan was not for municipal use. It ultimately comes down to whether or not the Council thinks the price is right. For a period of time we may be able to maintain everything as we have known it. That is the awful reality of difficult economic times. It is difficult for anyone to make decisions of that kind. We may not be able to offer everything that we have offered for a certain period of time.

Mr. Zandri asked the Mayor if he has any recommendations as to where the groups may be located to?

Mayor Dickinson responded, no, not now.

Mr. Zandri stated that there is a two bay garage on the east side of the Wooding building. Is that being utilized?

Mayor Dickinson responded that it was being utilized by the Albert Swietzer Organization for storage of material that they were shipping overseas. He was not sure whether or not that situation remains the same. He stated that he will possibly look at the other facility to see if there is a solution to the problem.

Mr. Rys informed the Council that back in 1987 the former Yalesville Fire House was earmarked to be sold and the profits used towards the new building. If we had done that then we would have obtained more money for the structure than we are commanding now.

Mrs. Duryea responded that last year it was agreed that the proceeds from the sale of the former fire house was to go to the cost for relocating the government access station to the carriage house. Being a member of the Simpson School Study Committee she spent months showing the need for a new recreation center. If you put any more programs in Simpson School than already exist you will be causing a disservice to the Martin Ave. residents and to the recreation center. They are bursting at the seams as it is. She reminded people that when the Council's actions or decisions are referred to it does not mean the entire Council took action or failed to take action for it only takes five votes in the affirmative or negative for action to be taken.

Mr. Zandri asked if the Learning Center representatives/owners can wait two weeks to see if the Town can find a place to relocate the programs/theatre groups to?

Eldo Maschio, 53 Montowese Trail stated that the Learning Center has signed a letter of intent with Shawmut Bank and they have given thirty days in which the property must close (May 4, 1994). That is one of the stipulations on the bid proposal.

The Mayor offered to meet with the necessary town officials to determine what possible locations exist, if any, to move the groups and programs to. Perhaps a special Town Council meeting can be scheduled to discuss what options are available once the information has been obtained from the meeting.

Mr. Gouveia stated that he did not want the Mayor and department heads to go through the effort of trying to find a location only to come back to the Council to find that the Council is not willing to sell the property under any circumstances. A vote should be taken tonight on whether or not to sell the property.

Mr. Rys had a problem with compromising the integrity of the Town by going out to bid three times on this property. He does not want this to happen again. If we open another building and it vacates, every room will be filled. The fact of the matter is, in Wallingford, if you have an open building the rooms get filled immediately. Somewhere along the line the Council has to sit down and decide to sell the building.

Mr. Zappala asked, why did this go out a second time to bid? He was under the impression that the building is being utilized for storage more than anything else. He felt that the Mayor could find a place for storage somewhere else. The recreation department has a serious problem and we do have to find a better location for them.

Mr. Zandri asked why we are losing the Washington Street gym?

Mr. Dooley responded that the gym is owned by the Housing Authority and they wish to use it now for their own storage, It is being rendered useless as any type of gym or auditorium.

Mr. Zandri asked the Mayor, don't we have any pull with the Housing Authority?

Mayor Dickinson responded that the gym has always been a difficult issue. That was a continued thorn in the side of public works due to the damage that is done there and the responsibility of the Town to repair the premises. At that time it was being used by the Boys and Girls Club and they don't use it as often now. Recreation has used it but it has always been pursuant to a lease. Our relationship with the Housing Authority over the issue has always been strained due to the efforts of having the Town be held responsible for paying more than what we felt obligated to pay for. The Housing Authority was interested in taking the property back and wanted to adjust the terms of the lease if we were going to hold onto it so they would receive

remuneration enough to provide storage elsewhere. With the constant problems the town has had regarding the building and security it reached a point that it is not in the interest of the Town to hold onto it. That is the reason that we will not be able to use the gym.

Mr. Zandri hated to lose the site because it is valuable for recreation. It is too bad that we can't work hand in hand with an organization that comes over here and looks for help from our side of the table.

Mayor Dickinson reminded the Council that of the fact that it was recreational use in the middle of an elderly housing complex. The traffic presents a problem as well as inadequate parking for the programs. It never has been a great relationship but a source of tension.

Mr. Killen asked, what has been done to determine who has been doing the damage? Maybe it is the senior citizens.

Mayor Dickinson stated that too many keys were duplicated. The security is hard to maintain due to the nature of the location. It has been used on a number of occasions by the Housing Authority and they wish to expand their use on a more full-time basis. They do own the property.

Mr. Killen stated that the entire senior citizen center was Town property. The Town entered into an agreement with the Housing Authority to build the senior complex and in addition lease the building. If the insinuation is being made that a problem existed with the recreation department being loose with their keys, then perhaps we should take them out of Simpson School and whatever building they are in for fear the problem will spread.

Mayor Dickinson reminded Mr. Killen that the Boys and Girls Club used the building also.

Mr. Dooley stated that over the past year and one-half the department has taken great pains to change the keys and call the keys in. Yes, there was substantial abuse on the part of keyholders going back two to three years ago. There have been very few complaints in 1993-94 about people getting in and causing damage. Prior to that there was a tremendous amount of unauthorized use of the building. The recreation department was responsible for some of it but not all of it.

Mr. Killen stated, we are supposed to be finding the recreation department another spot but if we can't trust you in the Washington St. gym how can we trust you somewhere else?

Mr. Dooley responded, we have learned from our mistakes.

Mr. Zandri wanted to know what the terms of the lease with the Housing Authority are?

Mayor Dickinson responded, it has already expired and there is not a willingness, to his knowledge, to re-enter into the lease. They own the building.

Mr. Zandri asked, there were no terms for extending the lease? It just ended on a certain date?

Mayor Dickinson responded, I believe so, yes.

Pat Maschio, Director and Owner of the I'm Special Learning Center stated that the center is a State licensed nursery school which has been renting space in a church on Parker Farms Road since 1979. They serve an average of 85-90 families per year providing their children with a high quality pre-school education. Because the church's new pastor has increased his congregation and programs the church plans to utilize its full facility for religious programs only. Because the center is not affiliated with the church the lease will not be renewed after June 30th. She has been searching diligently since last September for a new home for the center. The search continues to lead her back to the old fire house as the best choice. It is not only convenient but a safe environment for the families she serves. Planned renovations will provide for more than adequate space indoors for the programs, equipment and materials as well as ample space for an outdoor playscape. She urged the Council to consider the sale of the fire house for the proposed use on its merits alone rather than let it sit idle as it has been to continue to deteriorate and decline in value. The sale will not only bring the town money from the sale but will be added to the tax rolls thus bringing in revenue annually. This proposal is a win/win situation for the town. We are running out of time and we are in need of an answer.

Tom Collette, 345 Main Street, Yalesville spoke in support of the Learning Center and urged the Council to vote to approve the sale of the property to them.

Mary Mushinsky, S. Cherry Street, State Representative spoke highly of the operation of the Learning Center. She reminded the Council of the sale of the State Armory building to the Town which now houses the police department. That delay allowed a great deal of deterioration to occur resulting in added expense to the Town to renovate. The Town should except the bid of \$75,000 for the sale of the building. She had not been aware of the theatre group's problems and hoped that the Mayor and Council will help them in their endeavor to find a new location.

Motion was made by Mr. Rys to Sell the Former Yalesville Fire House to the Highest Bidder being Patricia and Eldo Maschio, the I'm Special Learning Center, Inc. for the Amount of \$75,685.00 in accordance with the Bid Proposals, seconded by Mr. Zappala.

Mr. Gouveia challenged the Mayor to come up with a site for Mr. Vechitto and the Park and Recreation Department and he will support the motion.

Mr. Knight stated, we have the opportunity to see a building renovated, improved, added to the tax rolls. He feels certain that the town would not spend the money that the Learning Center plans to spend on the building. It is a worthy use of the building.

Mr. Zandri also challenged the Mayor to find a home for the displaced Town departments and he will support the sale.

Mr. Killen stated, historically, he has been opposed to the sale of all Town properties and the records will show he has been right on each occasion. He is voting in the negative because of his sense of duty not because he has anything against the Learning Center.

Mrs. Duryea apologized for having to vote in the negative on this issue stating, with no disrespect intended, that she has witnessed how the Mayor has acted on other issues and has no faith in him finding a place for the displaced programs. The Housing Authority is throwing out the recreation department because they want to expand. It is going to hurt a certain group of adults and children that will have no place to go. For this, she will vote against the sale of the property.

Mr. Solinsky will vote to support the sale. The use of the building was strictly on a temporary basis and the only way to get out of this is to take action otherwise the temporary arrangements can go on indefinitely.

VOTE: Duryea and Killen, no; all others, aye; motion duly carried.

The Chair declared a five minute recess at this point in time.

ITEM #24 Discussion on the Status of Community Pool and Possible Action as Requested by G. Tom Zappala.

Motion was made by Mrs. Duryea, seconded by Mr. Knight.

Mr. Zappala stated that he has received many phone calls wanting to know what is happening with the pool. He wanted to know what the status of the parking issue is. We are approaching summer and if we are going to be ready at all for 1995 then we must take action.

Mr. Solinsky stated, on January 25, 1994 there was a motion for the Engineering Department to look into what the needs are for the parking for both pool designs and come up with a cost associated with those needs. That motion passed. We have not yet received that information. At that meeting the Council did not act on the options because we did not have that information. We still don't. If that information is not coming then we will have to rescind the motion and take another course of action.

Mayor Dickinson responded that the property across the street that would be required for the pool would cost in excess of \$200,000 per acre. It is not a feasible option to approve. He did not feel that Engineering was in a position to determine the number of parking spaces needed for the pool options. That would be more in the providence of people who plan pools, he added.

Mr. Solinsky stated that the committee did not want to pursue the issue of parking and wanted the Engineering Department to explore the options.

Mr. Walworth, Chairman of the Community Pool Renovation Building Committee stated the parking spaces required for option A (larger version) was 115 and for option B (smaller version) 147 spaces. The capacity was measured by a very liberal method by the Department of Health, using the formula of 1,800 people per day in the large pool and 1,400 in the small pool. It does not reflect the actual number of how many people will actually use it and use it comfortably. Some conversions must be applied to those figures. Approximately 3 1/2 people are calculated per vehicle with a turnover of approximately 3-4 vehicles per day. Using that method of calculation approximately 1,140 could come in and use the pool with the larger option. The large pool has less of an ability for people to get to it than the smaller pool.

Mr. Killen asked the Mayor if the motion made by the Council was conveyed to the Engineering Department?

Mayor Dickinson responded, the first step was to determine the price of property across the street and once it was determined as \$200,000 per acre he did not feel it was worth Engineering's time to outline laying out parking across the street.

Mr. Solinsky pointed out that the motion does not state specifically that the parking be designed across the street. It just states "...parking needs for both pool designs and the cost for each."

Mayor Dickinson answered, Engineering has nothing to do with this.

Mr. Killen responded that Engineering has been used time and time again to determine precisely how many spaces a parking lot will hold and now suddenly they are inept.

Mayor Dickinson stated that the only other place that he is aware of to accommodate additional parking for the pool is across the street.

Mr. Killen was getting the impression that it was because the Council requested the service of the Engineering Department they (Engineering) feel they don't have to respond to that request.

Mayor Dickinson pointed out that the Engineering Department reports to the Mayor. He did not want them wasting their time on something that there is no intention of moving forward on.

Mr. Killen rebutted that the Council's wishes have been totally ignored by the Mayor no matter what they make out of them.

Mayor Dickinson responded that it is his responsibility to see that town department heads work efficiently and effectively. To have Engineering take the time to lay out parking in a lot that will cost \$200,000 to purchase is a complete waste of administrative time.

Mr. Killen informed the Mayor that the Council has the right to request certain services and it is his (Mr. Killen's) opinion that the Mayor feels the Council can drop dead.

Mr. Knight responded that the committee had reviewed the schematic design of two facilities and laid out parking spaces and the numbers quoted by Mr. Walworth are the number of spaces available.

Mr. Solinsky asked, will those spaces serve the needs?

Mr. Walworth stated that 144-147 parking spaces are needed for a facility that is designed to be 500,000 gallons. If it is 1 million gallons it will require 175 parking spaces. That leaves a deficit of 60 spaces across the street.

Mr. Zappala stated that we don't know how many spaces we will actually need, it is all based on presumptions. We also don't want to spend any more money than we have to because we are currently facing very large expenditures with the school project. He felt that it is clearly a matter of one design or another. How much are we willing to spend for a pool. He feels that the people of the town are owed a pool for recreation. It has been the same issue all along regardless of the parking.

Mr. Knight reminded everyone that option A is the larger pool, approximately \$2.3 million. Contingent with that would be the necessity of locating 60 parking spaces across the street which is estimated to cost at the very least \$260,000. Option B is approximately \$1.8 million and brings with it approximately 32 more parking spaces which brings option B more in line with the actual capacity of the pool. We have wrestled with this problem for three years and we are now faced with many large capital expenditures in this community. He felt that the pool is still viable but there are many other claims on the scarce resources available. The only logical conclusion is to go with the option which provides the town with the best balance between parking and recreation and does not endanger the children that may be crossing North Main Street should the Council opt to place parking there.

Mayor Dickinson wanted it made clear for the record "what we are talking about is choosing a design. At this point should a design be chosen it would be pursued by the committee. I believe money has been appropriated for the design. Ultimately bid prices would have to be received. This does not commit to construction it commits to getting specifications and ultimately bid prices. It would be difficult to go ahead with actual construction prices until we know where the school project is going. Is that not correct?"

Mr. Solinsky responded, no, that is not what we are here discussing. The options are on the table now.

Mr. Zappala made a motion to Remove From the Table to Discuss and Possibly Act Upon Choosing Design Option A or B for Community Pool as Presented to the Town Council at a Public Hearing on January 11, 1994, seconded by Knight.

Dave Canto, 4 Meadows Edge Drive felt that the discussion regarding parking is ahead of itself in the sense that if the money for the pool is not going to be in this year's budget nor in next year's you will

not need parking if you are not going to build a pool. Why waste the money on the design and why waste \$65,000 a year to run the existing pool. He was for the pool but why pursue something that will not be built? It is ridiculous to spend \$200,000 for property across the street. Unless the Council has seven votes to override the Mayor's veto the discussion is pointless.

VOTE TO REMOVE FROM TABLE: Killen, no; all others, aye; motion duly carried.

Motion was made by Mr. Knight to Approve the Smaller of the Two Versions of the Schematic Design for the Wallingford Community Pool, seconded by Mr. Zappala.

Mrs. Duryea stated that originally she was in favor of the larger pool because the town is growing and the needs down the road are going to warrant the larger pool, however, the Community Pool Committee recommends the smaller design, Park and Recreation is very comfortable with the smaller pool and are not here fighting for a larger design, nor did they ever fight for the larger pool and lastly, the Mayor will only fund the smaller pool. Therefore she felt she will save her energy for other issues and stated that she will support the smaller design.

Mr. Solinsky asked the Mayor, will you fund the smaller pool?

Mayor Dickinson responded, "A more accurate statement would be, it is difficult to talk about embarking on financing of construction here until we know what the school project will cost. I think that the small pool is a more defensible project for parking reasons as well as cost. If the school project comes in at \$30 million then it is possible that we cannot afford to do any pool. That is the reality."

Mrs. Duryea responded, we are back to square one.

Mr. Zappala stated, he did not want a design unless he knew the pool would be built. Why waste the money on design?

Mayor Dickinson answered, how do we sit here expecting to spend perhaps \$30 million and do all of these other projects, too. I cannot sit here and say that we can afford it. Something has to give.

Mr. Zappala stated, if you don't want a pool and there is no way the Council is going to get this through then he will withdraw his second to the motion because he does not want to waste any money at all. We are not sure that the schools will cost \$30 million. He felt that number is being thrown around because people don't want the expenses. He, personally, did not feel it will cost \$30 million. He felt that the figure could be a hoax at this point for all we know.

Mayor Dickinson reiterated his stand that until we know what the figure is we cannot take on additional large projects. In these economic times we must show some constraint.

Mr. Zappala felt that the Council and committee is wasting its time if

the Mayor had no intention of funding the pool.

Mrs. Duryea reminded the Mayor that he has stated on record that he would support the smaller pool.

Mayor Dickinson responded, at that time we were not talking about a \$30 million school project.

Mrs. Duryea and Mr. Killen stated that the \$30 million figure has been pulled out of the air by the Mayor and there is no basis to support that as being the cost.

Mayor Dickinson stated that, currently, that project is listed at costing between \$27-\$30 million.

Mr. Killen responded that the Council is not obligated to take action this evening and he can propose an ordinance at any time. After the figures come in for the school, if they are less than \$30 million then bring the ordinance back again.

Mr. Rys asked Mr. Walworth, how long will it take for the design to come through?

Mr. Walworth responded, we are now looking at the summer of 1995. If authorized to proceed the committee would most likely be back to the Council in October with bids. He recommended that the town consider other sources such as State and Federal grants for funding for the pool.

Mr. Gouveia stated that he is proud of his comments made regarding the pool since 1987. If he and others had not made those comments the Council would probably not be deciding on option A or B but we would certainly have a pool that would be totally different than what is being presented now. We would have an Olympic-size, four-wall pool which is precisely the design that no one is building anymore. In fact, all the documentation presented by the pool committee indicates that the mold for such a pool has been broken. What is being constructed these days is precisely what we have in Wallingford, a zero-depth pool. At the last meeting this item was discussed, he spoke at length on the numbers and figures presented then. He does not challenge the numbers of the committee because he does not know anything about pools. The numbers presented clearly indicate that we could have a larger pool without having a major problem with parking. We should build a pool for people and not for a parking lot of cars. He preferred to see the larger pool, however, it seems that there is no will on the part of the Mayor to fund the small pool. Again, he felt, based on the figures presented by the committee, the larger pool can be constructed without having to worry about parking.

Mrs. Duryea rescinded her previous statement in support of the smaller pool based on the conversation this evening. She will now be supporting the larger design since it makes no difference.

VOTE: Knight, Rys and Zappala, aye; all others, no; motion failed.

ITEM #27 Consider and Approve an Appropriation of Funds in the Amount of \$477,229 from Retained Earnings to Environmental Account #598 - Electric Division

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

Mr. Gouveia noted that back in 1987 the Town was fined for failing to log and report PCB leakage. There was some remedial action to be taken by the PUC which was to be either a monthly or daily inspection of the PCBs. We paid the fines then, were given an order to be in compliance and now we are paying fines again, because we are not in compliance, what happened?

William Cominos, General Manager of the Electric Division explained that transformers were found in Dag Hammarskjold, Moran and Lyman Hall that contained PCBs. There seemed to be some question as to the ownership of the transformers. It was his understanding that they were owned by the school and not the electric division when he was first employed by the division. Subsequently, he found that they were owned by the division. There were no records on file at the electric division as being theirs. It was purely by accident that it was discovered who owned them. Immediate action was taken to remove them from the sites and notify the DEP and EPA of the situation. He started a program when first employed with the division to test all the transformers in Wallingford to determine whether or not they were contaminated or PCB transformers. We subsequently found some that should have been identified back in 1985. In order for the division to get out from under the risk it is his recommendation to go full bore ahead and test all the transformers in Wallingford to identify which ones are PCB and PCB contaminated and remove them from our system. The cost of the remediation at one high school is \$147,000. That is for three transformers. We have 4,000 on our system. We have tested 300 in the past 3 1/2 weeks. Out of the 300 we pulled 88 samples of which 13 were contaminated and 2 were PCBs. The nameplates on the transformers did not state that they were PCBs. They were mineral oil filled and somehow became contaminated years ago. If those transformers fail on the pole or rupture or a vehicle hits the pole and they fall to the ground, we have a major, major problem on our hands. If it is on someone's property, cars, homes, this Town will own that house, that property, you can take that to the bank. He did not want to put the Town at risk. He felt that all the transformers can be tested in eighteen months and in two years have all of them removed that are contaminated PCB units.

Mr. Gouveia asked, what is the process for cleaning the spillage?

Mr. Cominos explained, first it must be contained. In order to get down to the level of less than two parts per million PCBs, 80,000 pounds of soil was removed. Thirty percent (30%) of a cement pad approximately 24" thick had to be chipped out with jackhammers. The pad had to be encapsulated with new concrete. New soil was brought in to fill the hole. The 80,000 pounds of soil removed had to be transported to incinerators. Transportation specialists certified to perform this work had to be hired at a costly expense.

Mr. Gouveia stated, we should have learned in 1987 since the urgency of taking care of this type of problem was made clear to the town. He was told at one point that speedy-dri was being used to absorb a leakage and remedy the problem. He was very surprised when he read the article in the newspaper, especially in view of the fact that we had already spent money and had been informed of the dangers in the past and we were still not in compliance.

Mr. Killen asked if the PUC had investigated this situation and come up with any conclusions as to why this situation was allowed to continue after receiving a fine back in 1985?

Mr. Cominos could not answer for what took place before his employment.

Mr. Killen asked, why isn't our present PUC trying to investigate what happened both then and now? Do we know for a fact that the school system was warned of the situation? It seems that a warning would have gone to the electric division. That is an issue to investigate. Had the warning not gone to the school system then it falls on the shoulders of the PUC or the electric division. He was not saying that we should be looking for fall guys but to make sure that we are following a plan.

Mr. Cominos reiterated that we now have a plan and within two years hopefully all transformers will have been tested and those contaminated, removed.

Mr. Killen was concerned with the fact that there may be other warnings that have been neglected in the past.

Mr. Zandri did not understand why the pole transformers are in question.

Mr. Cominos responded, our property records don't indicate the type of oil that are contained in the transformers.

Mr. Zandri pointed out that the directive was that the utility was responsible for identifying PCB transformers. So if they had that knowledge back in 1985 or 1987 then why didn't they comply?

Mr. Cominos explained that since the records don't indicate they type of oil that are in the transformers then you must assume through the EPA rules that the transformers that are out there are over 500 parts per million PCBs and are therefore PCB transformers. You are right, if the transformer records indicated that they had mineral oil then the utility has to assume that they are at least contaminated until you have them tested by the laboratory.

Mr. Zandri asked Ray Smith, Director of Public Utilities, if we had something to comply with, why it wasn't done?

Mr. Smith stated that he felt the Council was way off base. There were some specifics that the division was in violation of. Some of the record keeping in place, we did not properly notify the Fire

Department, that was a violation; the tagging that was done on the Washington Street substation was improperly located, we were cited for that; there was a leak in the substation, we were also cited for that; there was building material in the vicinity of the transformers at the Pierce Station, that warranted another fine. We were not obligated at that point, nor are we still obligated to go up and check every pole top transformer in the system. Northeast Utilities does not do that. What they do is if there is an incident they treat it as PCBs until proven innocent. With regards to the schools, we were told that they were not our transformers. The schools and agencies received notices as they may be effected by PCBs. They must have assumed that the transformers belonged to the division as the division assumed that they belonged to the schools. In 1975 some people started to remove transformers at Lyman Hall High School. They decided they could not get them out so they left them there. They sat there all that time. That is where the bulk of the expense is. \$147,000.

Mr. Rys asked, are there also base transformers that we will be testing as well?

Mr. Cominos responded, yes, throughout the town all the pad mount transformers will be tested.

Mr. Rys asked, what is the replacement cost of a pole-mounted and base transformer?

Mr. Cominos answered, it can range anywhere from \$1,200 to \$10,000.

Mr. Rys asked, is there any way to recycle the transformer once it has been identified?

Mr. Cominos answered, it can be retro-filled. It has to be decided whether or not it is economically feasible to do it. The age, size and useful life of the unit will be considered to see if it is feasible.

VOTE: Papale was absent; Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #29 Withdrawn

ITEM #30 Consider and Approve a Transfer of Funds in the Amount of \$95 from Primary Elections Food Allowance Acct. #001-6011-600-6600 to Seminars and Dues Acct. #001-6030-700-7990 - Town Clerk

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

VOTE: Papale was absent; Killen and Zandri, no; all others, aye; motion duly carried.

ITEM #31 Consider and Approve a Transfer of Funds in the Amount of \$500 from Primary Elections Food Acct. #001-6001-600-6600 to Advertising Acct. #001-6030-400-4100 - Town Clerk

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

VOTE: Papale was absent; Killen and Zandri, no; all others, aye;

motion duly carried.

ITEM #32 Consider and Approve a Transfer of Funds in the Amount of \$300 from Primary Election Food Allowance Acct. #001-6011-600-6600 to Office Supplies Acct. #001-6030-400-4000 - Town Clerk

Motion was made by Mrs. Duryea, seconded by Mr. Rys.

VOTE: Papale was absent; Killen and Zandri, no; all others, aye; motion duly carried.

Motion was made by Mr. Zappala to Adjourn the Meeting, seconded by Mr. Knight.

VOTE: Papale was absent; all others, aye; motion duly carried.

There being no further business, the meeting adjourned at 12:45 a.m.

Meeting recorded and transcribed by:

Kathryn F. Milano
Kathryn F. Milano
Town Council Secretary

Approved by:

Thomas D. Solinsky
Thomas D. Solinsky, Chairman

April 26, 1994
Date

Kathryn J. Wall
Kathryn J. Wall, Town Clerk

April 26, 1994
Date

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF WALLINGFORD
FOR A YOUTH SERVICE BUREAU GRANT

WHEREAS, the State Department Public Health and Addiction Services has offered the Town of Wallingford a grant for Fiscal Year 1994 for purposes of operating the Mayor's Council On Substance Abuse Prevention of the Wallingford Youth Service Bureau, and

WHEREAS, it is desirable and the best interest of the residents of Wallingford to accept said grant:

NOW, THERE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF WALLINGFORD:

1. That it recognizes the responsibility for the provision of local grant to the extent that they are necessary and required for said program.
2. That the filing of an application by the Town of Wallingford in an amount not to exceed \$10,000 is hereby approved and that the Mayor of the Town of Wallingford is hereby authorized and directed to execute and file such application with the Department of Public Health and Addiction Services, to provide such additional information, to execute such other documents as may be required by the Department, to execute a Grant Action Request with the State of Connecticut for state financial assistance if such an agreement is offered, to execute any amendments, recisions, and revisions thereto, and to act as the authorized representative of the Town of Wallingford.

CERTIFIED RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF
WALLINGFORD FOR A YOUTH SERVICE BUREAU GRANT

WHEREAS, in compliance with Sec. 17-433 of the Connecticut General Statutes as amended, the State Department of Children and Families is expected to offer the Town of Wallingford a grant for Fiscal Year 1994-1995 for purposes of operating the administrative unit and service program of the Wallingford Youth Service Bureau, and

WHEREAS, it is desirable and the best interest of the residents of Wallingford to accept said grant:

NOW, THERE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF WALLINGFORD:

1. That is cognizant of the conditions and prerequisites for State assistance imposed by Section 17-433.
2. That it recognizes the responsibility for the provision of local grants-in-aid to the extent that they are necessary and required for said program.
3. That the filing of an application by the Town of Wallingford in an amount not to exceed \$60,000, is hereby approved and that the Mayor of the Town of Wallingford is hereby authorized and directed to execute and file such application with the Department of Children and Families, to provide such additional information, to execute such other documents as may be required by the Department, to execute a Grant Action Request with the State of Connecticut for state financial assistance if such an agreement is offered, to execute any amendments, recisions, and revisions thereto, and to act as the authorized representative of the Town of Wallingford.